

REPORT ON THE TWENTY-FOURTH REGULAR
ACTUARIAL VALUATION AND THE
JUNE 30, 2007 AND JUNE 30, 2008
FORECAST VALUATIONS OF THE
NEW HAMPSHIRE RETIREMENT SYSTEM
PREPARED AS OF JUNE 30, 2005

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January 18, 2006

Board of Trustees
New Hampshire Retirement System
4 Chenell Drive
Concord, New Hampshire 03301-8509

Ladies and Gentlemen:

RSA 100-A:14, Paragraph X, of the law governing the New Hampshire Retirement System provides in part that the actuary is to make periodic valuations of the contingent assets and liabilities of the funds of the retirement system.

The twenty-fourth regular actuarial valuation of the system, prepared as of June 30, 2005, has now been completed and the results are presented in this report, along with the results of the June 30, 2007 and June 30, 2008 forecast valuations.

The valuations were based on the open group aggregate funding method required under RSA 100:A-16 as revised in 1992 and on revised long-term actuarial assumptions adopted by the Board of Trustees in 2005 and which are discussed in Section IV. In addition, the new entrant distributions were modified to reflect recent experience and the overall workforce size assumptions and future salaries were modified to reflect anticipated future experience through the projection period. These assumptions project zero population growth for Employees, Teachers, Policemen and Firemen and no excess salary increases.

The Board of Trustees in September, 2004 adopted revised target funding assumptions. The target funding goal is based on a funding target of 115% over a 30 year time horizon using an 8% interest rate to value liabilities. The Board of Trustees in October, 2005 adopted revised demographic assumptions for all membership classifications. Also, the Board of Trustees in November, 2005 adopted to decrease the interest rate assumption from 9.0% to 8.5%.

The valuation and the forecast valuations reflect various amendments effective since June 30, 2003. The more significant changes, in brief, provide certain cost-of-living increases and provides postretirement medical coverage for certain policemen and firemen members. Please refer to Section I of the report for an outline of all pertinent legislation.

Board of Trustees
February 23, 2006
Page 2

The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,

(Signed) JANET H. CRANNA

Janet H. Cranna
Principal, Consulting Actuary

(Signed) DANA E. SPANGHER

Dana E. Spangher

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REPORT ON THE TWENTY-FOURTH REGULAR ACTUARIAL VALUATION
AND THE JUNE 30, 2007 AND JUNE 30, 2008
FORECAST VALUATIONS OF THE
NEW HAMPSHIRE RETIREMENT SYSTEM
PREPARED AS OF JUNE 30, 2005
SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the current and preceding regular valuations are summarized below:

GROUP I

ITEM	EMPLOYEES		TEACHERS	
Valuation Date	6/30/2005	6/30/2004 [#]	6/30/2005	6/30/2004 [#]
Number of active members	26,414	26,371	18,474	18,710
Annual compensation*	\$ 879,418,641	\$ 842,028,902 ^{##}	\$ 851,663,813	\$ 826,821,630 ^{##}
Average compensation	33,294	31,930	46,101	44,191
Number of inactive**	5,931	3,462	3,416	2,233
Number of beneficiaries on the roll	9,973	9,092	5,904	5,127
Annual allowances	\$ 100,859,386	\$ 85,067,325	\$ 108,893,782	\$ 87,580,043
Number of vested terminated members	286	312	299	300
Total assets	\$ 1,230,417,125	\$ 1,216,559,401	\$ 1,592,168,736	\$ 1,594,677,790
Special Account value	89,544,458	96,241,440	111,459,505	119,071,116
Net assets for valuation ^{oo}	\$ 1,140,872,667	\$ 1,120,317,961	\$ 1,480,709,231	\$ 1,475,606,674
Normal contribution rate:				
State	-	-	2.73 %	1.83 %
Employing subdivisions	-	-	5.06	3.41
Total	7.71 % ^o	6.37 % ^o	7.79 %	5.24 %
Target contribution rate:				
State	-	-	3.13 %	2.00 %
Employing subdivisions	-	-	5.80	3.70
Total	8.74 % ^o	6.81 % ^o	8.93 %	5.70 %
Unfunded accrued liability payments:				
State	\$ 0	\$ 0	\$ 0	\$ 56,619
Employing subdivision:	4,150	4,738	0	0
Total	\$ 4,150	\$ 4,738	\$ 0	\$ 56,619

* Compensation earned in the year ending on the valuation date.

** Includes those members who were reported as inactive as well as those members who were reported as active but did not have any compensation reported for the last two fiscal years.

^o Applicable to compensation of each employer's participating employees.

^{oo} Includes receivable contributions.

[#] Based on the June 30, 2004 interim valuation. Demographic data was based on June 30, 2003 valuation data. Asset information was as of June 30, 2004.

^{##} Estimated.

GROUP II

Valuation Date	POLICEMEN		FIREMEN	
	6/30/2005	6/30/2004 [#]	6/30/2005	6/30/2004 [#]
Number of active members	4,573	4,305	1,599	1,524
Annual compensation [*]	\$ 221,456,367	\$ 206,651,567 ^{##}	\$ 91,029,441	\$ 83,083,449 ^{##}
Average compensation	48,427	48,003	56,929	54,517
Number of inactives ^{**}	480	210	53	25
Number of beneficiaries on the roll	2,012	1,787	1,061	999
Annual allowances	\$ 55,788,083	\$ 47,406,412	\$ 30,813,145	\$ 26,601,881
Number of vested terminated members	29	23	3	4
Total assets	\$ 718,825,703	\$ 719,056,420	\$ 372,157,229	\$ 370,857,135
Special Account value	39,012,389	43,567,791	38,279,399	41,954,962
Net assets for valuation ^ø	\$ 679,813,314	\$ 675,488,629	\$ 333,877,830	\$ 328,902,173
Normal contribution rate:				
State	5.86 %	4.62 %	6.39 %	6.01 %
Employing subdivisions	10.88	8.58	11.88	11.16
Total	16.74 %	13.20 %	18.27 %	17.17 %
Target contribution rate:				
State	6.37 %	5.22 %	8.57 %	7.73 %
Employing subdivisions	11.84	9.68	15.92	14.36
Total	18.21 %	14.90 %	24.49 %	22.09 %
Unfunded accrued liability payments:				
State	\$ 0	\$ 261,971	\$ 0	\$ 140,360
Employing subdivisions	0	0	0	0
Total	\$ 0	\$ 261,971	\$ 0	\$ 140,360

^{*} Compensation earned in the year ending on the valuation date.

^{**} Includes those members who were reported as inactive as well as those members who were reported as active but did not have any compensation reported for the last two fiscal years.

^ø Includes receivable contributions.

[#] Based on the June 30, 2004 interim valuation. Demographic data was based on June 30, 2003 valuation data. Asset information was as of June 30, 2004.

^{##} Estimated.

2. Comments on the regular valuation results as of June 30, 2005 are given in Section V. Section VI presents the bases and results of the forecast valuations. Section VII discusses the contribution requirements for fiscal years 2008 and 2009 and Section VIII discusses the postretirement medical coverage valuation results.
3. The 2005 valuations were prepared on the basis of the open group aggregate funding method*, a revised interest assumption of 8.50% compounded annually, revised actuarial assumptions for all membership classifications adopted in 2005 and revised short term projection assumptions as to workforce size, new entrant distributions and salary increases for all membership classifications. These assumptions and methods are discussed in Section IV. A summary of the actuarial assumptions for each membership classification is set forth in Schedule B along with a description of the various methods employed in the valuations.
4. The 2005 actuarial valuation and the forecast valuations reflect the following legislation which was enacted since July 1, 2003. Legislation was enacted in the 2004 legislative session which:
 - Chapter 146 – (i) Extends the Group II 401(h) insurance subsidy to Group II employees who become members prior to July 1, 2005 and subsequently become disabled as the natural and proximate result of injuries suffered while in the performance of duty at any time in the future and (ii) Allows the Board of Trustees to recover the overpayment of benefits amounts which were paid after the death of a retiree or beneficiary or after the remarriage of a surviving spouse.
 - Chapter 216 - Allows certain political subdivision members of the system to purchase prior service credit where the member participated in a local retirement plan, allows any system member who was making additional contributions prior to December 31, 2004 or who applied

*Certain unfunded accrued liability charges are still assessed.

to make additional contributions prior to December 31, 2004 to continue to make additional contributions after December 31, 2004 and removes time frames for applications to purchase credit.

- Chapter 51 - Provides for the accrual of and payment of a creditable service for system members who enter qualifying military service as defined in federal law and become reemployed.

Legislation was enacted in the 2005 legislative session which:

- Chapter 8 - Establishes a committee to study the Special Account in the system and to propose the most appropriate way for increasing Special Account balances.
- Chapter 52 - Reduces to two years the number of years of absence from service before a member is no longer a member and the member's accumulated contributions are returned.
- Chapter 53 - Allows the system to be exempt from having to purchase supplies through the director of plant and property management.
- Chapter 43 - Grants the Board of Trustees the powers, privileges and immunities of a corporation in managing the system.

In addition, as provided for Chapter 191 of the Laws of 1993, the following COLAs were granted during the 2004 and 2005 fiscal years:

- a) A 1.0% COLA for employees, teachers and policemen and a 2.5% COLA for firemen who retired prior to July 1, 2003, effective July 1, 2004.

- b) A 1.0% COLA for employees, teachers and policemen and a 1.5% COLA for firemen who retired prior to July 1, 2004, effective July 1, 2005.

Chapter 191 of the Laws of 1993 provides that on July 1, 1994 and each July 1 thereafter, any retired member who has been retired for at least two years will receive a COLA between 1% and 5% increments of ½% based on fiscal committee approval and subject to availability of funds in the Special Account. Chapter 287 of the Laws of 1998 extends COLA eligibility to members retired at least 12 months on their anniversary date and makes the COLA retroactive from July 1 to their anniversary date.

SECTION II - EMPLOYEE DATA

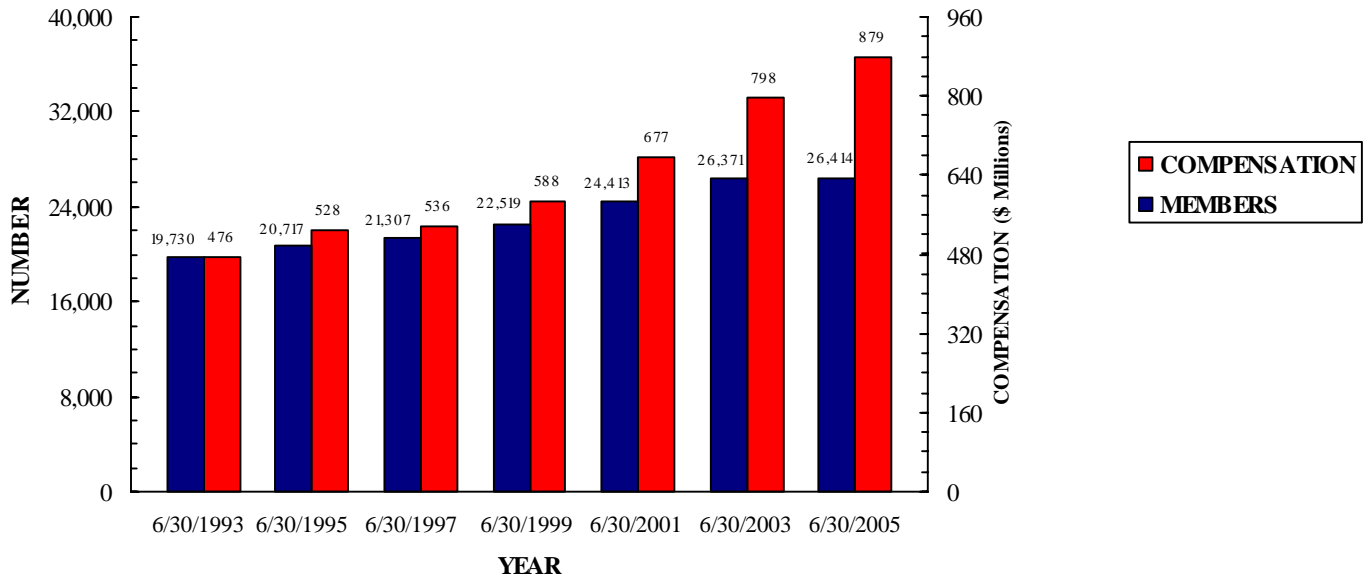
1. The valuation results are based on employee data furnished by the Executive Director of the Retirement System. Tables 1 to 8 of Schedule D show the distributions, by fifth age and service, of the total active members included in the valuation, while Tables 9 to 12 show details of the distribution, by fifth age, of the different categories of beneficiaries and dependents in receipt of benefits on the valuation date. Table 13 shows a reconciliation of the data from June 30, 2003 to June 30, 2005.
2. The following Table I and Graph I summarize the number and annual earnable compensation of active members as of June 30, 2005. Table II and Graph II, which follow, summarize the number and annual retirement allowances currently payable to beneficiaries on the roll as of June 30, 2005. In addition, there are 286 former employees, 299 former teachers, 29 former policemen and 3 former firemen entitled to deferred vested retirement allowances who were included in the valuation.

TABLE I
THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
ACTIVE MEMBERS AS OF JUNE 30, 2005

GROUP	NUMBER	COMPENSATION
Employees:		
State:		
Men	4,801	\$ 190,407,667
Women	6,293	211,322,867
Subtotal	11,094	\$ 401,730,534
Political Subdivisions:		
Men	5,947	\$ 224,142,168
Women	9,373	253,545,939
Subtotal	15,320	\$ 477,688,107
Total	26,414	\$ 879,418,641
Teachers:		
Men	4,462	\$ 219,302,383
Women	14,012	632,361,430
Total	18,474	\$ 851,663,813
Policemen:		
Men	3,936	\$ 195,437,811
Women	637	26,018,556
Total	4,573	\$ 221,456,367
Firemen:		
Men	1,548	\$ 88,794,138
Women	51	2,235,303
Total	1,599	\$ 91,029,441
Grand Total	51,060	\$ 2,043,568,262

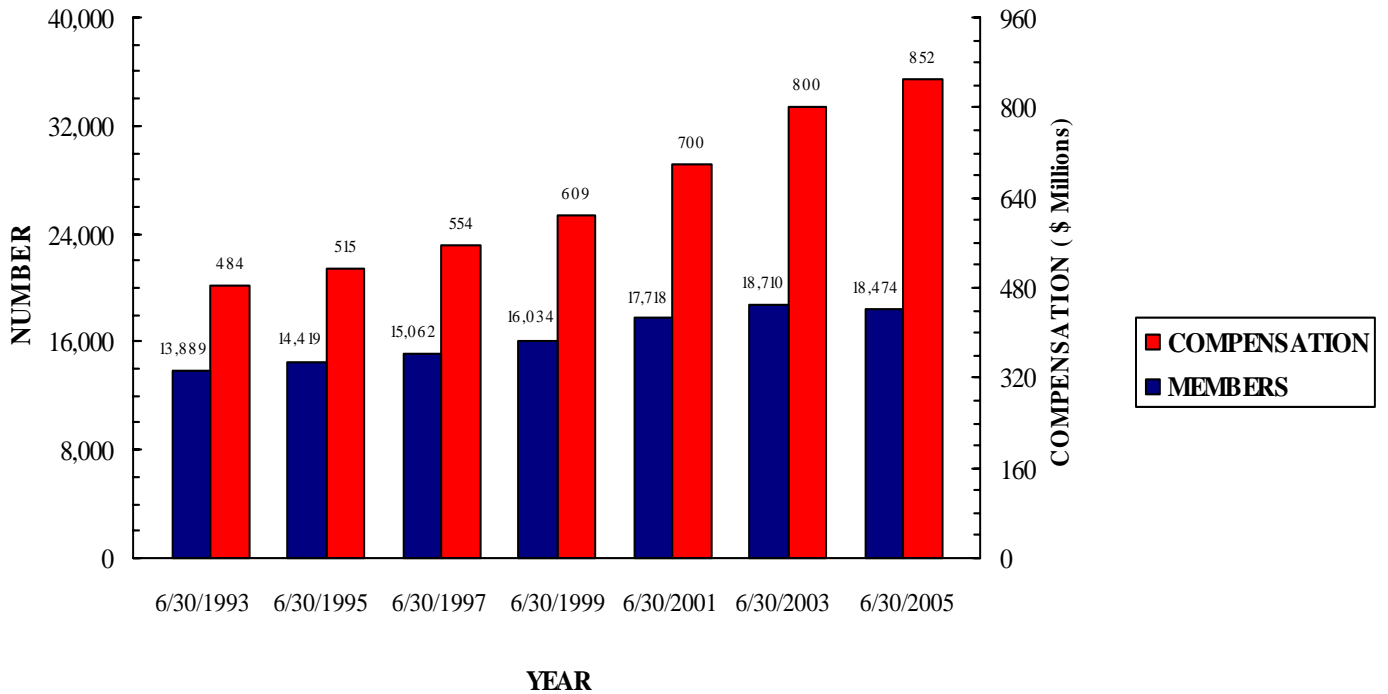
NHRS EMPLOYEES

NUMBER AND ANNUAL COMPENSATION

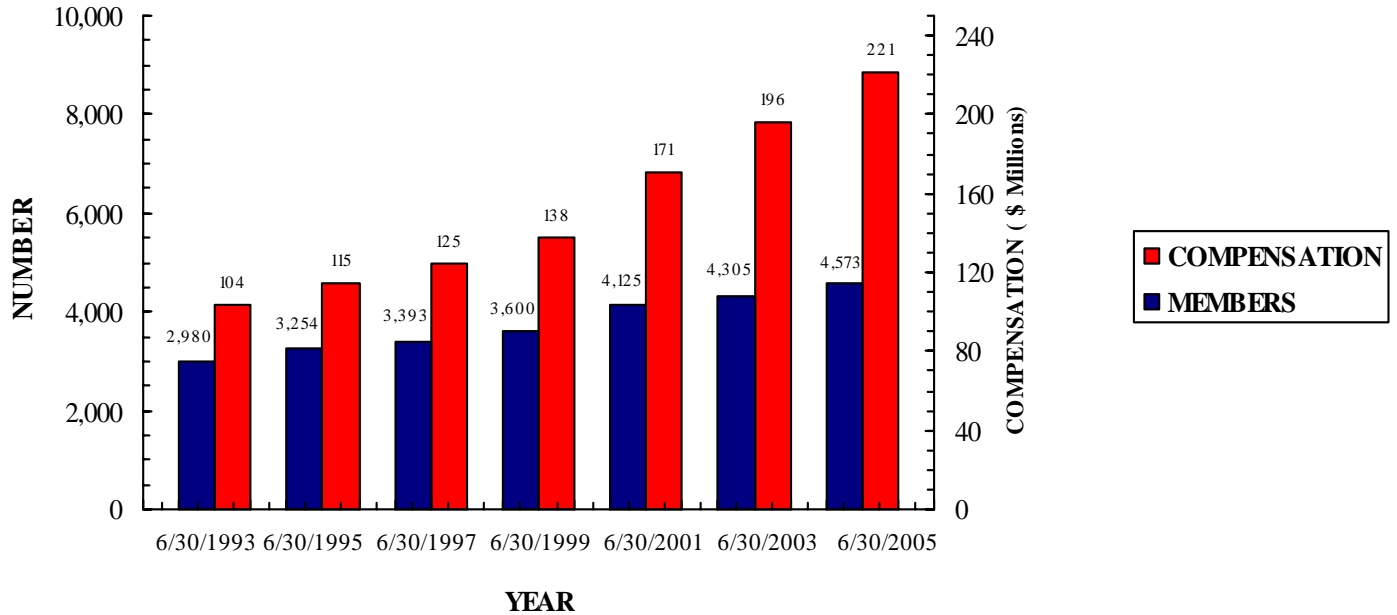


NHRS TEACHERS

NUMBER AND ANNUAL COMPENSATION



NHRS POLICEMEN NUMBER AND ANNUAL COMPENSATION



NHRS FIREMEN NUMBER AND ANNUAL COMPENSATION

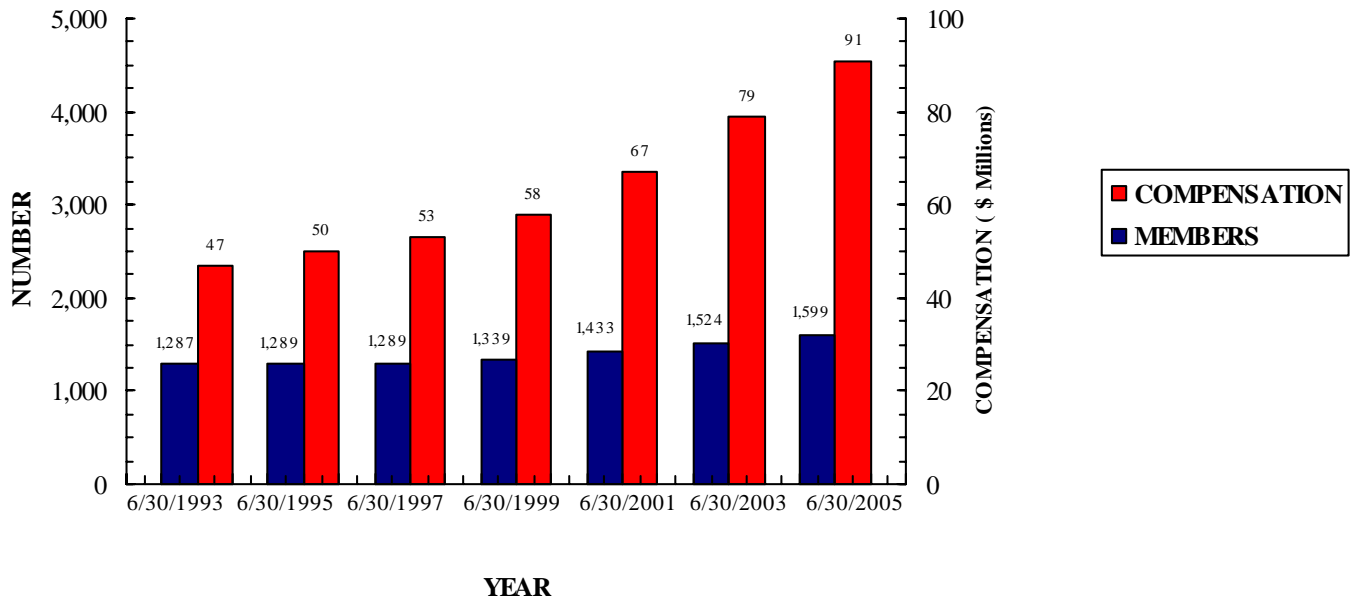


TABLE II
THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES
CURRENTLY PAYABLE TO BENEFICIARIES ON THE ROLL
AS OF JUNE 30, 2005

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES*
<u>Service Retirements</u>		
Employees:		
Men	3,922	\$ 48,792,387
Women	4,330	35,488,820
Subtotal	8,252	\$ 84,281,207
Teachers:		
Men	1,774	\$ 40,034,923
Women	3,695	62,329,452
Subtotal	5,469	\$ 102,364,375
Policemen:		
Men	1,292	\$ 41,303,637
Women	202	3,120,262
Subtotal	1,494	\$ 44,423,899
Firemen:		
Men	702	\$ 23,854,209
Women	42	575,895
Subtotal	744	\$ 24,430,104
<u>Disability Retirements</u>		
Employees:		
Men	364	\$ 4,392,086
Women	385	4,278,338
Subtotal	749	\$ 8,670,424
Teachers:		
Men	48	\$ 826,224
Women	126	1,792,166
Subtotal	174	\$ 2,618,390
Policemen:		
Men	267	\$ 7,161,086
Women	29	706,185
Subtotal	296	\$ 7,867,271
Firemen:		
Men	125	\$ 3,154,692
Women	2	62,793
Subtotal	127	\$ 3,217,485

*Includes COLA increases.

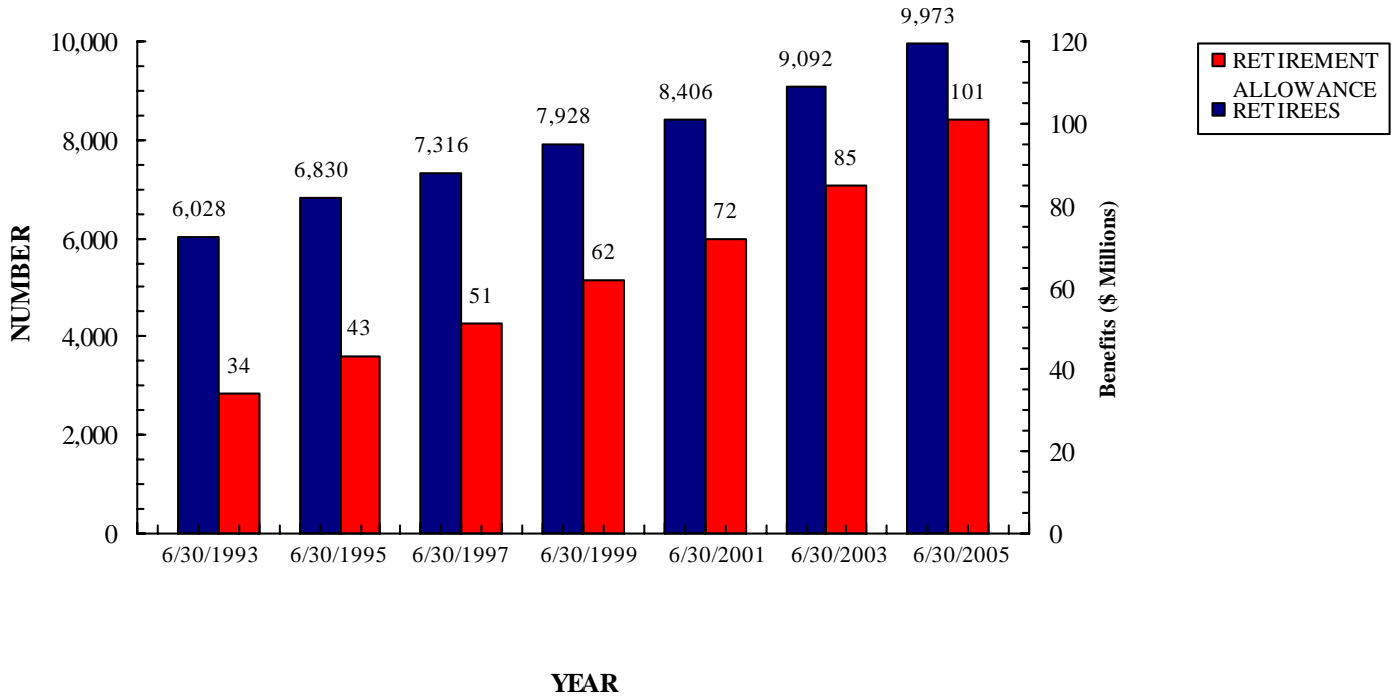
TABLE II
 THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES
 CURRENTLY PAYABLE TO BENEFICIARIES ON THE ROLL
 AS OF JUNE 30, 2005
 (continued)

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES*
<u>Dependents of Deceased</u>		
<u>Members and Beneficiaries</u>		
Employees:		
Men	107	\$ 637,172
Women	865	7,270,583
Subtotal	972	\$ 7,907,755
Teachers:		
Men	65	\$ 723,963
Women	196	3,187,054
Subtotal	261	\$ 3,911,017
Policemen:		
Men	24	\$ 364,747
Women	198	3,132,166
Subtotal	222	\$ 3,496,913
Firemen:		
Men	18	\$ 224,530
Women	172	2,941,026
Subtotal	190	\$ 3,165,556
Grand Total	18,950	\$ 296,354,396

*Includes COLA increases.

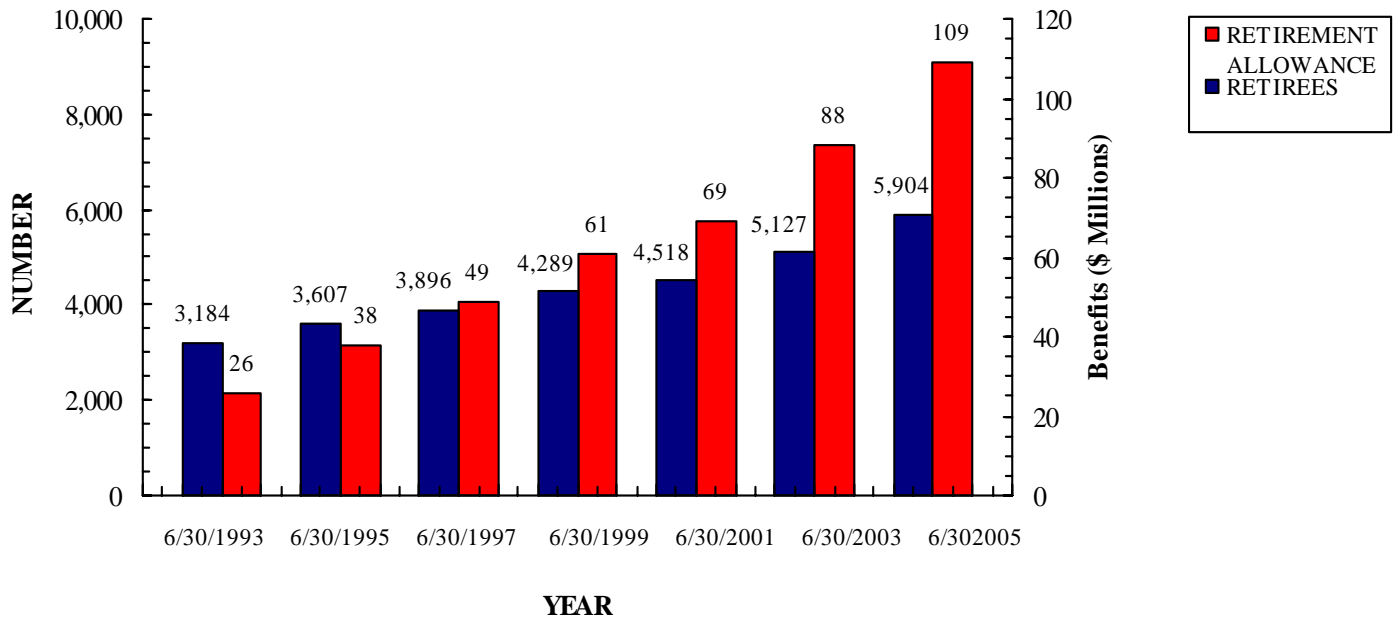
NHRS EMPLOYEES

NUMBER AND ANNUAL RETIREMENT ALLOWANCES



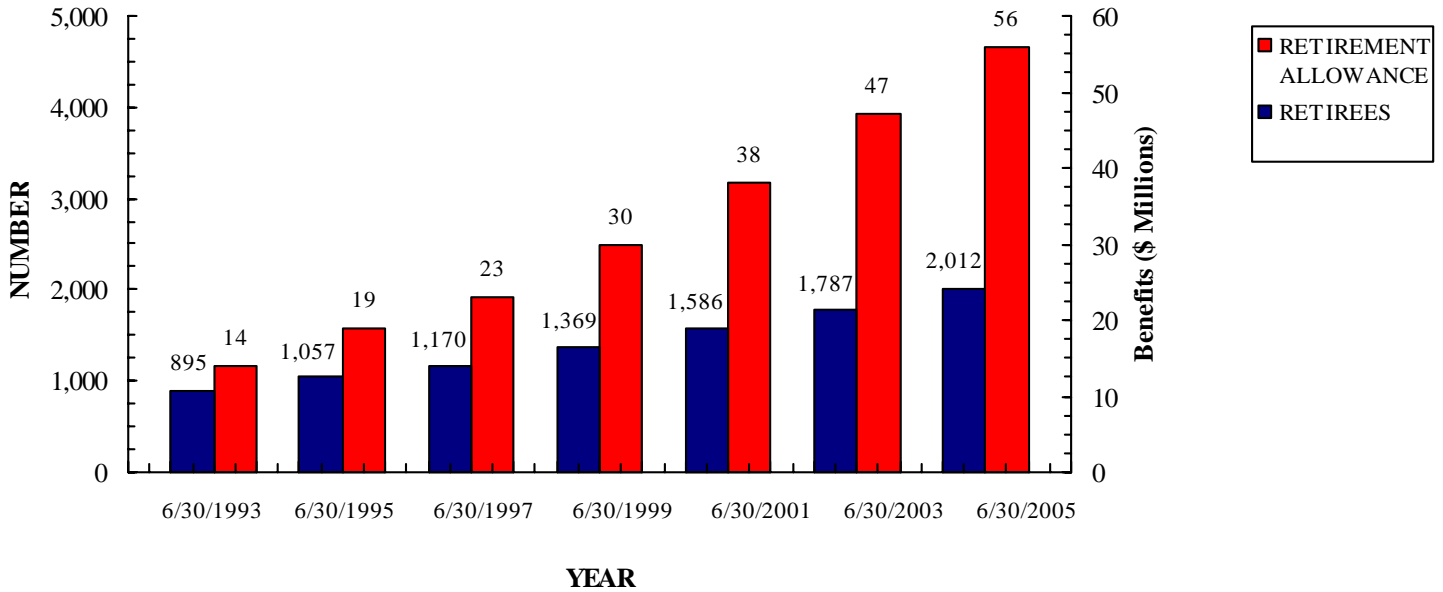
NHRS TEACHERS

NUMBER AND ANNUAL RETIREMENT ALLOWANCES



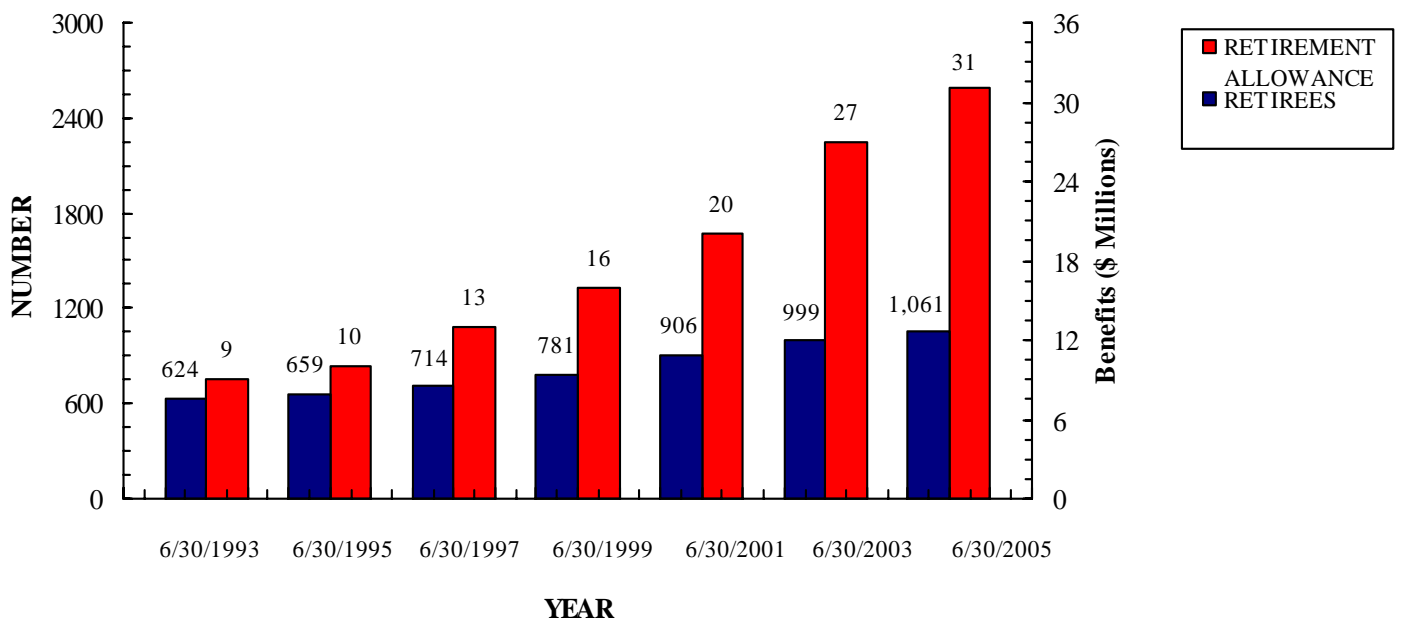
NHRS POLICEMEN

NUMBER AND ANNUAL RETIREMENT ALLOWANCES



NHRS FIREMEN

NUMBER AND ANNUAL RETIREMENT ALLOWANCES



SECTION III - ASSETS

1. The amount of assets taken into account in this valuation is based principally on information reported by the Retirement System Director of Finance.
2. In accordance with RSA 100-A:16, the assets of the Retirement System are credited into three main funds. The Member Annuity Savings Fund is credited with all contributions made by members, together with interest thereon. The State Annuity Accumulation Fund is credited with the non-medical contributions made by the State and by the employing subdivisions, and is debited by all retirement allowances made to retired members and to beneficiaries of deceased members. Assets equal to the medical contributions made by the State and the employing subdivisions are transferred from the Medical Special Account to the State Annuity Accumulation Fund to make it whole. The 401(h) Subtrust Fund is credited with the medical contributions made by the State and by the employing subdivisions and is debited by the payment of postretirement medical premiums for certain Group I and Group II retirees up to a prescribed maximum. Each of the three main funds is subdivided on account of the four member classifications.
3. For actuarial purposes the aggregate assets of the system are valued on the basis of a five-year moving market average valuation method. The operation of the method is outlined in Schedule E of the valuation report prepared as of June 30, 1976 and is briefly summarized in Schedule B of this report. Schedule G of this report shows the determination of actuarial value of assets as of June 30, 2005. It should be noted that once the five-year average is determined, as directed by the Board of Trustees, this value is compared with the book and market values of assets and the middle of these three values is used for funding purposes. However, the actuarial value of assets cannot be lower than the five-year average value.
 1. As part of the valuation procedure, investment earnings for the past two years have been analyzed. Based on the procedures used and certain approximations, the total rate of return on the aggregate

assets of the system has been determined as being 1.85% and 1.25% for the years ended June 30, 2004 and June 30, 2005, respectively, including realized and unrealized appreciation and depreciation to the extent recognized in the asset valuation method. The assumed annual long term rate of return was 9%. These results may be compared with the rate of return on market value which equaled 14.38% and 9.42% in the years ended June 30, 2004 and June 30, 2005 respectively.

SECTION IV - ACTUARIAL ASSUMPTIONS AND METHODS

1. As approved by the Board, the interest rate, the postretirement mortality tables for teachers, the demographic assumptions for employees, teachers and policemen and the salary scales for teachers, policemen and firemen used for valuation purposes were revised from those used in connection with the previous valuation as of June 30, 2003. The forecast or short-term projection assumptions were also revised in line with the past two years' experience and to anticipate the latest information as to the expected workforce size, new entrant hiring patterns and rates of salary increase. In particular, the new entrant distributions were modified to reflect recent experience. The present and revised assumptions and methods are discussed briefly in paragraphs 2 through 5 below. The actuarial assumptions are summarized in Schedule B.
2. The present actuarial funding method is the open group aggregate funding method as required under Chapter 55 of the Laws of 1992. This method develops a normal contribution rate for each membership classification based on present members and future new members. The assumptions for the future new entrants are shown in Schedule B. Under this method, actuarial gains and losses are spread over the future working lifetime of current active and future active members. New unfunded accrued liabilities are established as additional sponsors join the system and grant past service credit to their employees.
3. The demographic and economic assumptions have been reviewed in the experience study completed as of June 30, 2005. The results of this study were presented to the Board of Trustees in October,

2005 and November, 2005. The Board of Trustees approved a decrease in the interest rate from 9.0% to 8.5% per annum, revised the salary increase assumptions for teachers, policemen and firemen, revised the postretirement mortality table for teachers and revised the demographic assumptions for employees, teachers and policemen. The assumptions used in the valuation are reasonable and will continue to be closely monitored in comparison with developing experience.

4. For membership classifications that are not well funded the calculated normal rates may not be less than the rates determined using a target funding goal based on a funded ratio of 115% over a 30 year horizon using an 8% interest rate to value liabilities. This limitation is designed to help insure the future security of the system's benefit obligation.
5. The forecast assumptions were revised to reflect the most recent hiring patterns.

SECTION V - COMMENTS ON THE REGULAR VALUATION

1. The results of the regular valuation as of June 30, 2005 are presented in Schedule A in the form of four valuation balance sheets, one for each classification of members included in the system. The balance sheets reflect the value of the member annuities which are expected to be provided by future contributions of the members, as well as the value of their present contributions. The balance sheet results are illustrated graphically in the latter half of Schedule A.
2. For each membership classification, the liabilities are shown separately for all beneficiaries of the system who are currently in receipt of benefits or entitled to deferred retirement allowances, for current active and inactive members and for future active members. The liabilities for current active and future active members include the value of benefits expected to be earned for service rendered after the valuation date.
3. New unfunded accrued liabilities are established as additional sponsors join the system and grant past service credit to their employees.

5. Since the members' contributions are fixed by the Statutes, the present value of future normal contributions payable by the State and employing subdivisions represents the balancing item on each valuation balance sheet. The Statutes provide for the State to pay 35% of the required future normal contributions and the remaining 65% to be paid by the employing subdivision. With regard to employee members, the employer, whether the State or a local subdivision, pays 100% of the required normal contribution for its employees.
6. Based on the results of the current valuation of the system, we have determined that the following rates of normal contribution would be appropriate as of June 30, 2005 to maintain the actuarial balance of the system:

TABLE III

MEMBERSHIP CLASSIFICATION	NORMAL CONTRIBUTION RATES ^ø		
	State's Portion	Employing Subdivision Portion	Total
Employees*	N/A	N/A	7.71%
Teachers	2.73%	5.06%	7.79
Policemen	5.86	10.88	16.74
Firemen	6.39	11.88	18.27

* Normal rate applied to the respective payrolls of each employer.

^ø Without regard to minimum normal contribution rates required by target funding.

7. The total contribution rates may be compared to the regular valuation as of June 30, 2003, the interim valuation results as of June 30, 2004 and the forecast valuation results as of June 30, 2005 as follows:

TABLE IV

MEMBERSHIP CLASSIFICATION	NORMAL CONTRIBUTION RATES			
	Regular Valuation June 30, 2003 [#]	Interim Valuation June 30, 2004 ⁰⁰	Forecast Valuation June 30, 2005	June 30, 2005
Employees	6.06%	6.37%	6.37%	7.71%
Teachers	4.67	5.24	5.24	7.79
Policemen	12.33	13.20	13.20	16.74
Firemen	16.31	17.17	17.17	18.27

[#] The results of the interim valuation as of June 30, 2004 will be used to determine contributions for fiscal years ending June 30, 2006 and June 30, 2007.

⁰⁰ Based on June 30, 2003 valuation data.

8. The change in the calculated normal contribution rates for each membership classification from 2003 to 2005 reflects assumption changes and the experience of the system with regard to that classification during the period. Actuarial gains generated by favorable experience reduce the normal rate and actuarial losses due to unfavorable experience increase the normal rate.
9. The actuarial value of assets was less than anticipated generating losses for all membership classifications. Salary increases were less than expected and resulted in actuarial gains for employees and policemen whereas salary increases were greater than expected for teachers and firemen resulting in actuarial losses. Current new entrant experience generated a loss for all membership classifications.
10. The experience with regard to active service turnover has been favorable for teachers and unfavorable for employees, policemen and firemen. The experience with regard to postretirement mortality experience has been favorable for firemen, unfavorable for employees and policemen and no impact on teachers.
11. The assumption changes generated losses for employees, teachers and policemen and generated gains for firemen.
12. The details of the (gain)/loss analysis based on the open group aggregate funding method for each membership classification are shown below:

TABLE V

ITEM	EFFECT OF (GAIN) OR LOSS			
	EMPLOYEES	TEACHERS	POLICEMEN	FIREMEN
Actual Normal Rate as of 6/30/2003	6.06%	4.67%	12.33%	16.31%
Decremental experience	.02	(.01)	.38	.04
Pensioners' experience	.02	.00	.01	(.06)
Excess salary increases	(.01)	.09	(0.12)	.17
Assets different than expected	.79	1.52	1.85	2.23
Current new entrants	.04	.02	.16	.14
Amendments	.00	.00	.00	.00
Assumption changes*	.39	.90	2.08	(.32)
Balancing item	.40	.60	.05	(.24)
Actual Normal Rate as of 6/30/2005	7.71%	7.79%	16.74%	18.27%

*Includes assumption and new entrant population changes.

SECTION VI - COMMENTS ON THE FORECAST VALUATIONS

1. The forecast valuations are prepared as an aid to the Trustees and the Executive Director in budgeting for the system costs over the ensuing biennium. The technique consists of estimating the system costs based on projected population for each year of the next biennium. These populations reflect realistic short-term assumptions as to future experience. These short-term projection assumptions are summarized in Schedule B.
2. The following Table VI and Graph III show the projected number and annual compensation of active members for the fiscal years ending June 30, 2008 and June 30, 2009 based on the projection assumptions.

TABLE VI
THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF
PROJECTED ACTIVE* MEMBERS

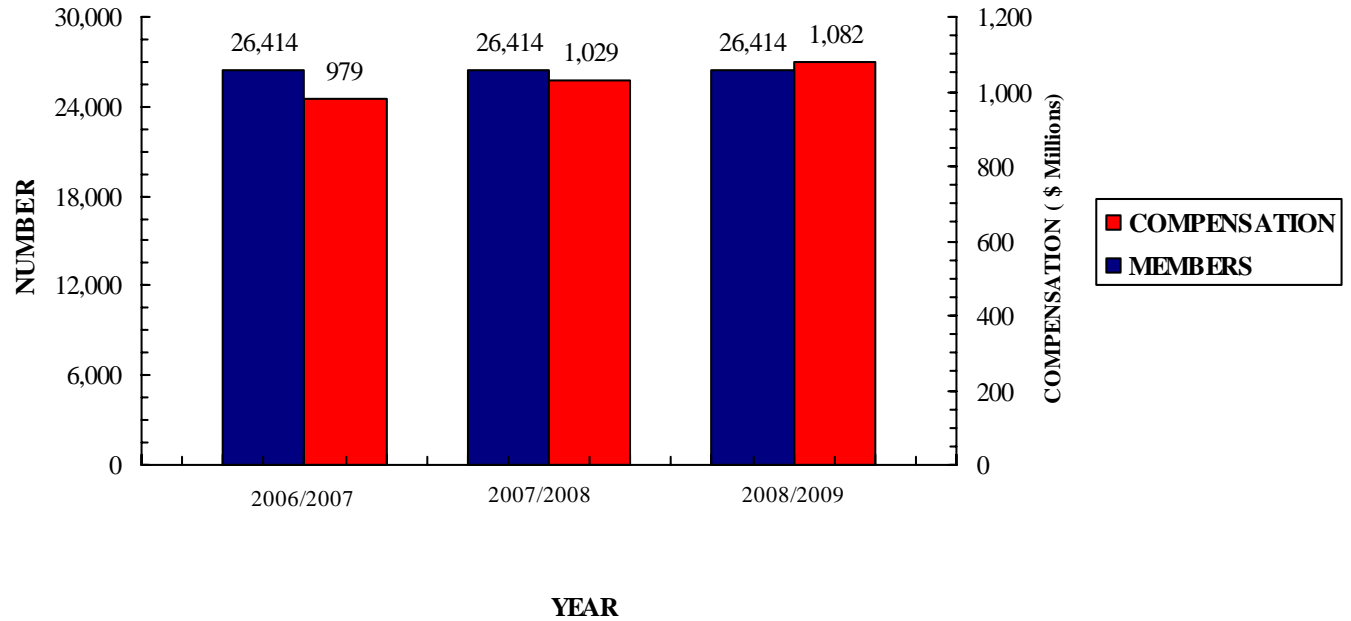
MEMBERSHIP CLASSIFICATION	2007/2008		2008/2009	
	Number	Compensation	Number	Compensation
Employees	26,414	\$ 1,028,983,452	26,414	\$ 1,081,805,630
Teachers	18,474	956,956,831	18,474	994,850,345
Policemen	4,573	248,859,151	3,393	258,898,722
Firemen	1,599	106,585,396	4,573	112,198,177
			1,599	
Total	51,060	\$ 2,341,384,830	51,060	\$ 2,447,752,874

*Inactive members are excluded from these statistics.

3. For projection purposes retired members were assumed to die in accordance with the postretirement mortality tables adopted by the Board. In addition, active members were brought onto the retired roll or terminated during the projection period in accordance with the active service tables adopted by the Board for valuation purposes.

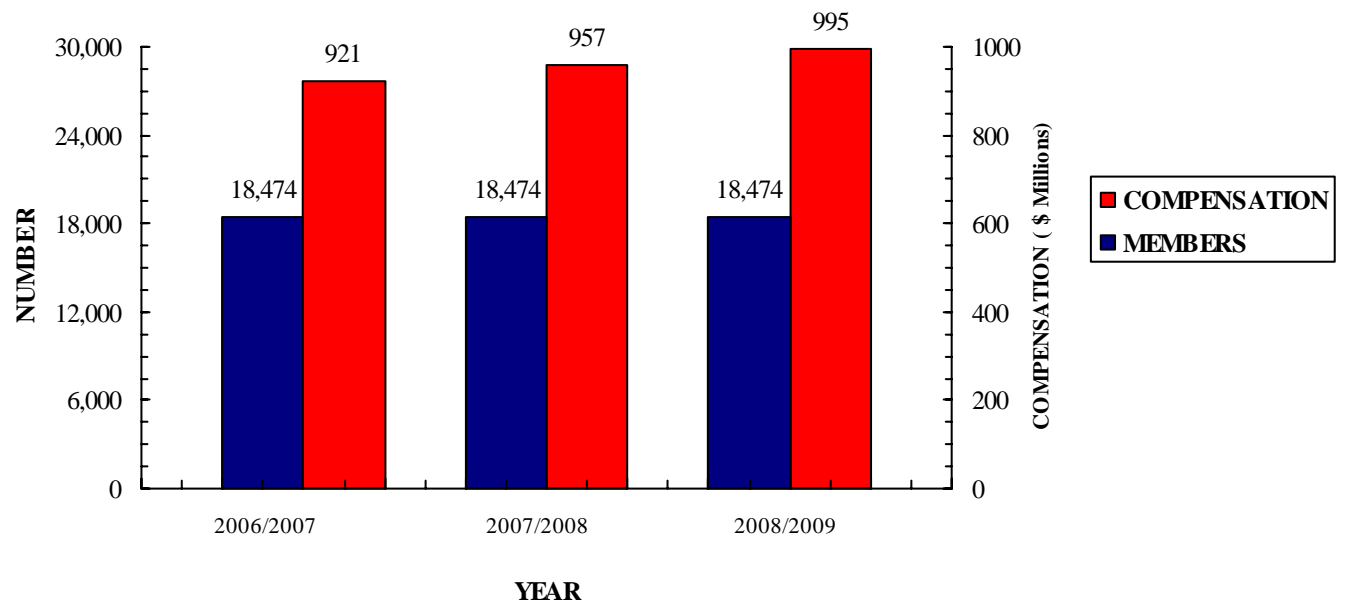
NHRS EMPLOYEES

NUMBER AND ANNUAL COMPENSATION



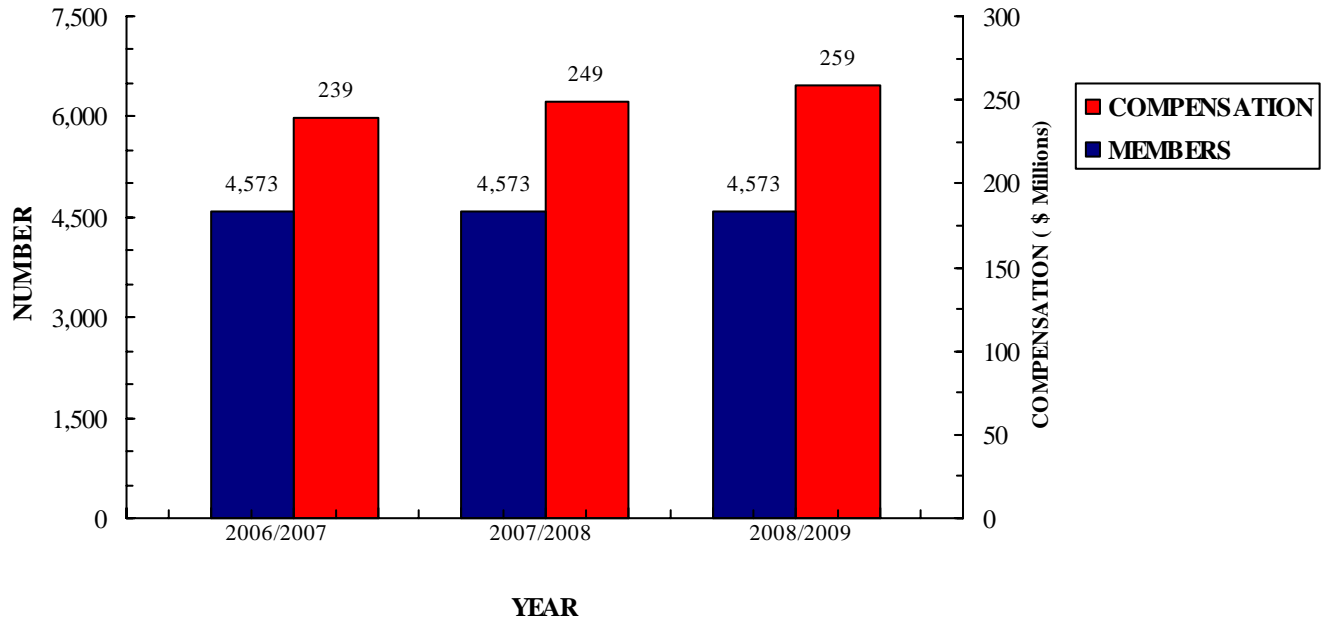
NHRS TEACHERS

NUMBER AND ANNUAL COMPENSATION



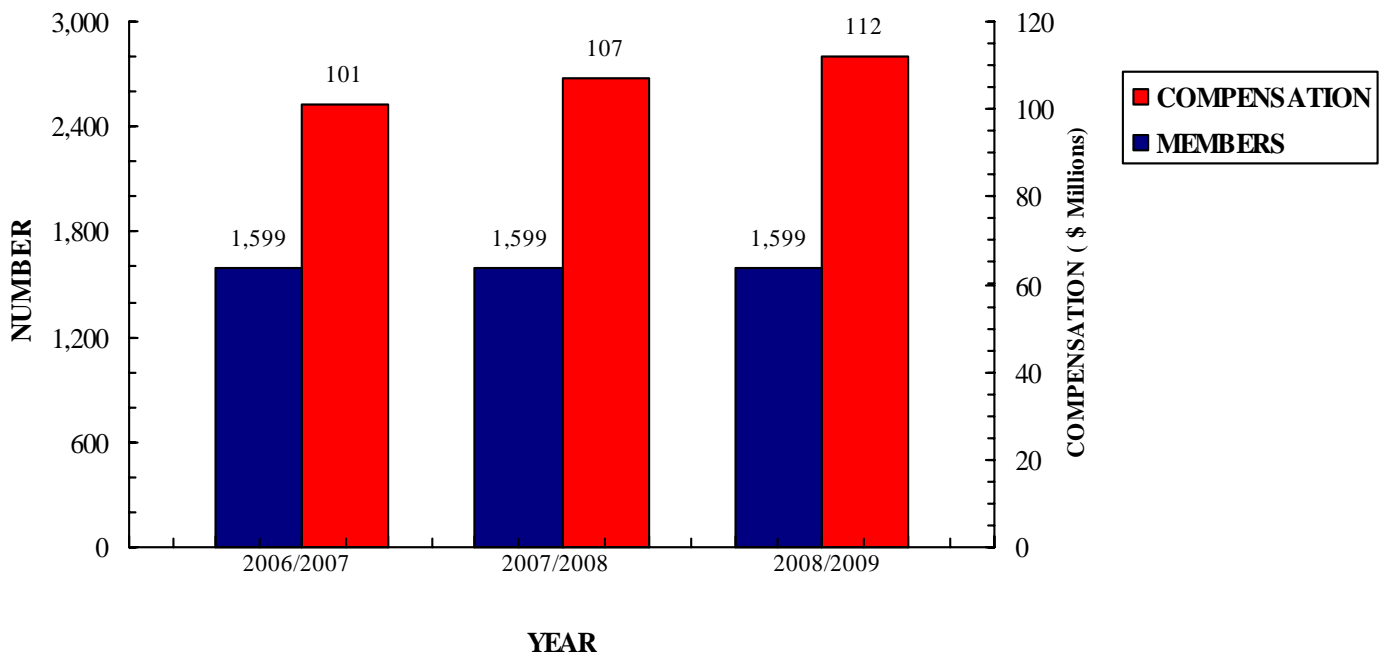
NHRS POLICEMEN

NUMBER AND ANNUAL COMPENSATION



NHRS FIREMEN

NUMBER AND ANNUAL COMPENSATION



4. For purposes of the forecast valuation it has been assumed that the adjusted assets of the system as of June 30, 2005 plus the future annual net cash flow would realize a total rate of return equal to 8.5% per annum.
5. Based on this rate of return and taking into account the expected annual cash flow within each membership classification the total projected adjusted asset values as of June 30, 2007 and June 30, 2008 are as follows:

TABLE VII
PROJECTED ADJUSTED ASSETS* OF THE SYSTEM
AS OF JUNE 30, 2007 AND JUNE 30, 2008

MEMBERSHIP CLASSIFICATION	TOTAL ADJUSTED ASSET VALUE	
	June 30, 2007	June 30, 2008
Employees	\$ 1,312,842,359	\$ 1,426,086,174
Teachers	1,641,869,146	1,750,386,411
Policemen	771,484,933	827,066,463
Firemen	380,879,286	409,475,935
Total	\$ 4,107,075,724	\$ 4,413,014,983

*Excludes assets from the Special Account and the 401(h) Subtrust Fund assets.

6. Based on the results of the forecast valuations, the normal contribution rates necessary to maintain the actuarial balance of the system in fiscal 2007/2008 and 2008/2009 were calculated as shown on the following table:

TABLE VIII

MEMBERSHIP CLASSIFICATION	NORMAL CONTRIBUTION RATE FOR FISCAL YEARS 2007/2008 AND 2008/2009 ^ø
Employees	7.71%
Teachers	7.79
Policemen	16.74
Firemen	18.27

^ø Without regard to minimum normal contribution rate.

7. For membership classifications that are not well funded the Board has recommended that the minimum normal contribution rate not be less than the rates determined using target funding with a funding goal of 115% over a 30 year horizon and an 8% interest rate to value liabilities. The following table shows the funding level and target rate for each membership classification:

TABLE IX

Membership Classification	Funded Ratio as of June 30, 2005*	Target Funding Rate ^ø
Employees	71.76%	8.74%
Teachers	76.83	8.93
Policemen	79.51	18.21
Firemen	71.12	24.49

^ø Based on an 8% target funding discount rate.

* Excludes postretirement medical assets and liabilities.

As can be seen in Table IX, all the membership classifications are not considered to be well funded, therefore, the target funding rates should be used to determine future contribution levels since they are greater than the rates determined under the valuation funding method.

SECTION VII - APPROPRIATIONS

1. In the case of employees, the State contributes on the basis of the full rate for its employees and the employing subdivisions contribute on the basis of the full rate for their respective employees. With regard to the other membership classifications the State contributes on the basis of 35% of the indicated rates, while the employing subdivisions contribute on the basis of the remaining 65% of the indicated rates.
2. Applying the respective rates (after reflecting the minimum normal contribution rates) to the projected payrolls, the State's estimated normal contribution requirements for the next two years are as follows:

TABLE X

MEMBERSHIP CLASSIFICATION	ESTIMATED STATE NORMAL CONTRIBUTION REQUIREMENTS FOR FISCAL:*	
	2007/2008	2008/2009
Employees	\$ 41,365,135	\$ 43,488,586
Teachers	29,952,749	31,138,816
Policemen	15,852,328	16,491,849
Firemen	9,134,368	9,615,384
Total	\$ 96,304,580	\$ 100,734,635

* Actual contributions are determined as normal rates times monthly payrolls.

3. The following rates should be used to determine the normal contribution requirements based on compensation levels for fiscal years 2007/2008 and 2008/2009:

TABLE XI

MEMBERSHIP CLASSIFICATION	NORMAL CONTRIBUTION RATE FOR EMPLOYING SUBDIVISION	NORMAL CONTRIBUTION RATE FOR THE STATE
Employees	8.74%	8.74%
Teachers	5.80%	3.13%
Policemen	11.84%	6.37%
Firemen	15.92%	8.57%

4. In addition to the required normal contributions, certain employers, should continue to make annual payments towards the amortization of the unfunded accrued liabilities. For each new participating employer a separate determination will need to be made as of the date of participation assuming past service credit is granted. Table XII shows the reconciliation of the unfunded accrued liabilities from June 30, 2005 to June 30, 2007. Table XIII shows a breakdown of the unfunded accrued liabilities at June 30, 2007 and the required contributions necessary to fund these amounts.

TABLE XII

RECONCILIATION OF UNFUNDED ACCRUED LIABILITIES FROM
JUNE 30, 2005 TO JUNE 30, 2007

MEMBER- SHIP CLASSI- FICATION	ITEM	UNFUNDED ACCRUED LIABILITY AS OF JUNE 30, 2005	2005/2006 ACCRUED LIABILITY CONTRI- BUTIONø	UNFUNDED ACCRUED LIABILITY AS OF JUNE 30, 2006	2006/2007 ACCRUED LIABILITY CONTRI- BUTIONø	UNFUNDED ACCRUED LIABILITY AS OF JUNE 30, 2007
Employees	Town of Raymond	\$ 20,768	\$ 2,667*	\$ 19,866	\$ 2,667*	\$ 18,888
	Brookline Public Library	9,760	1,483	8,981	1,483	8,135
	Total	\$ 30,528	\$ 4,150	\$ 28,847	\$ 4,150	\$ 27,023

ø Payable at beginning of fiscal year unless otherwise noted.

* Payable at end of fiscal year.

TABLE XIII

UNFUNDED ACCRUED LIABILITIES AT
JUNE 30, 2007 AND REQUIRED CONTRIBUTIONS

MEMBERSHIP CLASSIFICATION	ITEM	UNFUNDED ACCRUED LIABILITY AS OF JUNE 30, 2007	ANNUAL ACCRUED LIABILITY CONTRIBUTIONø	FISCAL YEAR IN WHICH FUNDING OF UNFUNDED ACCRUED LIABILITY WILL BE COMPLETED
Employees	Town of Raymond	\$ 18,888	\$ 2,667*	2019
	Brookline Public Library	\$ 8,135	\$ 1,483	2014

ø Payable at beginning of fiscal year unless otherwise noted.

* Payable at end of fiscal year.

SECTION VIII - 401(h) SUBTRUST FUND FOR POSTRETIREMENTMEDICAL BENEFITS

1. RSA100-A:52 provides for the payment of a specified level of postretirement medical premiums for certain retired Group I and Group II members and beneficiaries. The monthly premium level for members younger than age 65 provided through the system for single coverage is limited to \$321.98 as of July 1, 2005 and increases each July 1 by 8%. The corresponding monthly premium for coverage for the spouse and the member is \$643.96 as of July 1, 2005. For members older than age 65, the monthly premium level for single coverage is limited to \$203.06 as of July 1, 2005 and increases each July 1 by 8%. The corresponding monthly premium for the member and spouse over age 65 is \$406.12 as of July 1, 2005.
2. Under Section 401(h) of the Internal Revenue Code qualified retirement plan trusts may pay for medical premiums due for retirees. These payments are funded through contributions of the employer which may not exceed 33-1/3% of the normal cost for the respective membership classification. For this reason we have separately analyzed the cost of the medical coverage provided in RSA100-A:52 and the results are shown in Table XIV.
2. The four portions of Table XIV present the results of the postretirement medical valuations for employees, teachers, policemen and firemen, respectively.
3. Under the financing terms of RSA100-A:53, a Medical Special Account in the amount of \$52.8 million was established as of July 1, 1988 for Group II, a Medical Special Account in the amount of \$89.1 million was established as of July 1, 1999 for teachers and a Medical Special Account in the amount of \$36.4 million was established as of January 1, 2002 for employees. Assets equal to the annual postretirement medical contributions are transferred to the State Annuity Accumulation Fund from the Medical Special Account. After the initial Medical Special Account has been adjusted for earnings and for transfers to the State Annuity Accumulation Fund, the remaining balances based on the actuarial value in the Medical Special Account as of June 30, 2005 are \$82,885,556,

\$95,024,293, \$109,222,782 and \$51,701,718 for employees, teachers, policemen and firemen, respectively.

5. The 401(h) Subtrust Fund receives assets from the contributions from the State and the employing subdivisions. The annual premiums are paid from the 401(h) Subtrust Fund. The actual market value of the 401(h) Subtrust Fund as of June 30, 2005 as reported by the trustee was \$12,099,911, \$11,754,355, \$48,968,376 and \$34,261,297 for employees, teachers, policemen and firemen, respectively.

TABLE XIV
NEW HAMPSHIRE RETIREMENT SYSTEM - GROUP I EMPLOYEES
RESULTS OF THE POSTRETIREMENT MEDICAL VALUATIONS

	2005/2006	2007/2008	2008/2009
1. Projected liabilities			
(a) For active members	\$38,656,853	\$45,507,814	\$49,375,978
(b) For pensioners and beneficiaries	\$206,003,313	\$207,139,834	\$205,689,728
(c) Total	\$244,660,166	\$252,647,648	\$255,065,706
2. Projected assets (five-year moving market average)	\$11,067,415	\$20,012,689	\$26,190,141
3. Projected future normal cost [1.(c)-2.]	\$233,592,751	\$232,634,959	\$228,875,565
4. Projected normal contribution rate (without regard to limitations)	2.79 %	2.57 %	2.43 %
5. Normal contribution (without regard to limitations)	\$25,906,192	\$26,444,875	\$26,287,877
6. Allowable normal contribution	\$21,077,797	\$26,444,875	\$26,287,877
7. Accrued liability	\$244,660,166	\$252,647,648	\$255,065,706
8. Total earmarked assets (401(h) market value plus Medical Special Account as of beginning of year)	\$94,985,467	\$72,454,418	\$55,938,243
9. Funded ratio (8./7.)	38.8 %	28.7 %	21.9 %

TABLE XIV
NEW HAMPSHIRE RETIREMENT SYSTEM - GROUP I TEACHERS
RESULTS OF THE POSTRETIREMENT MEDICAL VALUATIONS

	2005/2006	2007/2008	2008/2009
1. Projected liabilities			
(a) For active members	\$85,479,131	\$100,628,170	\$109,181,564
(b) For pensioners and beneficiaries	\$196,168,807	\$198,652,241	\$198,145,347
(c) Total	\$281,647,938	\$299,280,411	\$307,326,911
2. Projected assets (five-year moving market average)	\$10,649,025	\$10,909,003	\$16,493,159
3. Projected future normal cost [1.(c)-2.]	\$270,998,913	\$288,371,408	\$290,833,752
4. Projected normal contribution rate (without regard to limitations)	3.43 %	3.43 %	3.33 %
5. Normal contribution (without regard to limitations)	\$30,393,699	\$32,823,619	\$33,128,516
6. Allowable normal contribution	\$16,836,160	\$28,517,314	\$29,646,540
7. Accrued liability	\$281,647,938	\$299,280,411	\$307,326,911
8. Total earmarked assets (401(h) market value plus Medical Special Account as of beginning of year)	\$106,778,648	\$86,617,542	\$69,390,992
9. Funded ratio (8./7.)	37.9 %	28.9 %	22.6 %

TABLE XIV
NEW HAMPSHIRE RETIREMENT SYSTEM - GROUP II POLICEMEN
RESULTS OF THE POSTRETIREMENT MEDICAL VALUATIONS

	2005/2006	2007/2008	2008/2009
1. Projected liabilities			
(a) For active members	\$252,065,863	\$292,848,181	\$314,360,852
(b) For pensioners and beneficiaries	\$126,430,848	\$166,237,431	\$180,420,817
(c) Total	\$378,496,711	\$459,085,612	\$494,781,669
2. Projected assets (five-year moving market average)	\$44,450,720	\$55,677,571	\$62,947,454
3. Projected future normal cost [1.(c)-2.]	\$334,045,991	\$403,408,041	\$431,834,215
4. Projected normal contribution rate (without regard to limitations)	17.49 %	19.82 %	20.55 %
5. Normal contribution (without regard to limitations)	\$40,279,410	\$49,323,884	\$53,203,687
6. Allowable normal contribution	\$11,445,893	\$15,105,750	\$15,715,152
7. Accrued liability	\$277,605,327	\$340,313,753	\$365,914,202
8. Total earmarked assets (401(h) market value plus Medical Special Account as of beginning of year)	\$158,191,158	\$164,567,422	\$165,603,070
9. Funded ratio (8./7.)	57.0 %	48.4 %	45.3 %

TABLE XIV
NEW HAMPSHIRE RETIREMENT SYSTEM - GROUP II FIREMEN
RESULTS OF THE POSTRETIREMENT MEDICAL VALUATIONS

	2005/2006	2007/2008	2008/2009
1. Projected liabilities			
(a) For active members	\$100,596,938	\$117,752,482	\$127,092,867
(b) For pensioners and beneficiaries	\$70,337,808	\$78,548,261	\$82,369,126
(c) Total	\$170,934,746	\$196,300,743	\$209,461,993
2. Projected assets (five-year moving market average)	\$32,614,159	\$43,399,020	\$50,039,521
3. Projected future normal cost [1.(c)-2.]	\$138,320,587	\$152,901,723	\$159,422,472
4. Projected normal contribution rate (without regard to limitations)	13.89 %	14.16 %	14.17 %
5. Normal contribution (without regard to limitations)	\$13,343,420	\$15,092,492	\$15,898,482
6. Allowable normal contribution	\$7,070,380	\$8,697,368	\$9,155,371
7. Accrued liability	\$126,761,571	\$144,298,977	\$153,040,077
8. Total earmarked assets (401(h) market value plus Medical Special Account as of beginning of year)	\$85,963,015	\$90,691,649	\$92,434,083
9. Funded ratio (8./7.)	67.8 %	62.8 %	60.4 %

SECTION IX - EXPERIENCE

1. Records are maintained with regard to the developing experience of the system as compared to the anticipated experience based on the current assumptions adopted by the Board of Trustees. Significant deviations are noted and revisions in assumptions are recommended periodically so that the funding requirements of the system can be properly anticipated. Tables XV and XVI summarize the aggregate active experience results for the past two years for each of the groups. Schedule E illustrates the experience graphically for each of the groups.
2. The demographic assumptions and the future new entrant assumptions for all classifications were revised as of June 30, 2005.
3. Schedule F illustrates graphically the projected benefit payouts over the period from July 1, 2005 to June 30, 2014. The expected results are based on the regular valuation assumptions only.

TABLE XV
SEPARATIONS FROM ACTIVE SERVICE
JULY 1, 2003 TO JUNE 30, 2005*

GROUP AND TYPE OF SEPARATION	EXPECTED SEPARATIONS	ACTUAL SEPARATIONS	RATIO OF ACTUAL TO EXPECTED
Employees			
Withdrawals	3,271.6	2,241	0.685
Deaths	75.3	82	1.089
Disability Retirements	108.8	113	1.038
Service Retirements	1,719.8	1,402	0.815
Teachers			
Withdrawals	1,314.2	938	0.714
Deaths	40.2	29	0.721
Disability Retirements	31.6	15	0.475
Service Retirements	1,239.2	1,002	0.809
Policemen			
Withdrawals	320.1	296	0.925
Ordinary Death	9.6	9	0.938
Accidental Death	0.9	0	0.000
Ordinary Disability	7.4	3	0.405
Accidental Disability	15.6	13	0.833
Service Retirements	178.6	200	1.120
Firemen			
Withdrawals	25.9	23	0.888
Ordinary Death	2.4	0	0.000
Accidental Death	0.6	2	3.333
Ordinary Disability	0.3	1	3.333
Accidental Disability	5.9	4	0.678
Service Retirements	95.6	84	0.879

*Expected amounts are based on long-term valuation assumptions.

TABLE XVI
SALARY INCREASE EXPERIENCE JULY 1, 2003 TO JUNE 30, 2005

GROUP	EXPECTED ANNUAL SALARIES	ACTUAL ANNUAL SALARIES	RATIO OF ACTUAL SALARIES TO EXPECTED SALARIES
Employees	\$ 762,122,086	\$ 760,421,112	0.998
Teachers	749,393,788	764,419,049	1.020
Policemen	197,340,634	193,733,194	0.982
Firemen	80,360,620	82,125,245	1.022

SECTION X - PLAN FUNDING STATUS AND PROGRESS

1. The system determines the annual required contribution using the open group aggregate funding method. This method does not identify or separately amortize unfunded actuarial liabilities. However, the Board of Trustees monitors the funding progress by reviewing the funded ratios of the system each June 30th. The funded ratio is determined by dividing the net assets held in trust for benefits by the liabilities of the system.
2. The relevant information which follows on Table XVII is shown separately for each membership classification and in total for fiscal years ending June 30, 2005, June 30, 2006, June 30, 2007 and June 30, 2008. The actuarial present value of vested and nonvested accrued benefits is based on an interest rate of 8.5%.
3. The pension benefit obligation (PBO) for each retiree and beneficiary is the present value of benefits payable as of the measurement date. For active members, the PBO is determined by calculating the benefits for each probable cause of termination (withdrawal, death, disability, service retirement) on the basis of total service as of the measurement date and final average compensation at an expected future date of retirement. In the case of a benefit payable equal to the member's projected accumulated contributions, the accrued benefit is equal to the value of the accumulated contributions on the measurement date. The sum of the present values of these projected accrued benefits measures the PBO for each active member.
4. Assets are determined on the same basis as that used in the actuarial valuation. The Group I and Group II liabilities exclude the postretirement medical benefit liabilities.

TABLE XVII
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE PENSION BENEFIT OBLIGATION
EXCLUDING POST RETIREMENT MEDICAL INSURANCE SUBSIDY

Based on 8.5% Interest Assumption
Employees

	2005	2006	2007	2008
A. Pension Benefit Obligation				
1. Retirees & Beneficiaries				
Currently Receiving Benefits				
& Term. Employees Not Yet Entitled	\$900,007,117	\$943,150,895	\$988,920,057	\$1,045,411,680
2. Current Employees				
a. Accumulated Employee Contributions				
With Interest	730,152,633	774,994,896	824,805,117	874,841,192
b. Employer Financed	<u>339,440,381</u>	<u>375,934,003</u>	<u>417,317,433</u>	<u>458,891,845</u>
3. Total Pension Benefit Obligation	\$1,969,600,131	\$2,094,079,794	\$2,231,042,607	\$2,379,144,717
FUNDING STATUS AT MARKET VALUE OF ASSETS				
B. Net Assets				
Market Value of Assets	\$1,439,406,212	\$1,547,628,791	\$1,664,283,511	\$1,807,399,824
Less: Undesignated Special Account	89,544,458	97,155,737	105,413,975	114,374,163
Less: Account for Medical Insurance Subsidy	<u>94,985,467</u>	<u>85,297,181</u>	<u>72,454,418</u>	<u>55,938,243</u>
Market Value of Assets Available for Benefits*	\$1,254,876,287	\$1,365,175,873	\$1,486,415,118	\$1,637,087,418
C. Unfunded Pension Benefit Obligation	\$714,723,844	\$728,903,921	\$744,627,489	\$742,057,299
Percent Funded	63.71%	65.19%	66.62%	68.81%
Payroll	\$879,418,641	\$928,537,332	\$978,623,223	\$1,028,983,452
Unfunded / Payroll	81.27%	78.50%	76.09%	72.12%
FUNDING STATUS AT ACTUARIAL VALUE OF ASSETS				
D. Net Assets				
Actuarial Value	\$1,230,417,125	\$1,320,875,632	\$1,418,256,334	\$1,540,460,337
Less: Special Account	<u>89,544,458</u>	<u>97,155,737</u>	<u>105,413,975</u>	<u>114,374,163</u>
Net Assets Available for Benefits*	\$1,140,872,667	\$1,223,719,895	\$1,312,842,359	\$1,426,086,174
E. Unfunded Pension Benefit Obligation	\$828,727,464	\$870,359,899	\$918,200,248	\$953,058,543
Percent Funded	57.92%	58.44%	58.84%	59.94%
Payroll	\$879,418,641	\$928,537,332	\$978,623,223	\$1,028,983,452
Unfunded / Payroll	94.24%	93.73%	93.83%	92.62%

* Includes all receivable contributions.

TABLE XVII
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE PENSION BENEFIT OBLIGATION
EXCLUDING POST RETIREMENT MEDICAL INSURANCE SUBSIDY

Based on 8.5% Interest Assumption
Teachers

	2005	2006	2007	2008
A. Pension Benefit Obligation				
1. Retirees & Beneficiaries				
Currently Receiving Benefits				
& Term. Employees Not Yet Entitled	\$1,035,309,882	\$1,116,728,276	\$1,209,980,010	\$1,317,272,358
2. Current Employees				
a. Accumulated Employee Contributions				
With Interest	855,779,034	907,835,188	956,516,451	1,000,712,948
b. Employer Financed	<u>513,584,150</u>	<u>531,898,475</u>	<u>547,690,679</u>	<u>558,044,962</u>
3. Total Pension Benefit Obligation	\$2,404,673,066	\$2,556,461,939	\$2,714,187,140	\$2,876,030,268
FUNDING STATUS AT MARKET VALUE OF ASSETS				
B. Net Assets				
Market Value of Assets	\$1,862,795,844	\$1,976,906,151	\$2,091,671,059	\$2,238,421,487
Less: Undesignated Special Account	111,459,505	120,933,563	131,212,916	142,366,014
Less: Account for Medical Insurance Subsidy	<u>106,778,648</u>	<u>98,725,061</u>	<u>86,617,542</u>	<u>69,390,992</u>
Market Value of Assets Available for Benefits*	\$1,644,557,691	\$1,757,247,527	\$1,873,840,601	\$2,026,664,481
C. Unfunded Pension Benefit Obligation	\$760,115,375	\$799,214,412	\$840,346,539	\$849,365,787
Percent Funded	68.39%	68.74%	69.04%	70.47%
Payroll	\$851,663,813	\$886,113,685	\$921,123,746	\$956,956,831
Unfunded / Payroll	89.25%	90.19%	91.23%	88.76%
FUNDING STATUS AT ACTUARIAL VALUE OF ASSETS				
D. Net Assets				
Actuarial Value	\$1,592,168,736	\$1,683,275,739	\$1,773,082,062	\$1,892,752,425
Less: Special Account	<u>111,459,505</u>	<u>120,933,563</u>	<u>131,212,916</u>	<u>142,366,014</u>
Net Assets Available for Benefits*	\$1,480,709,231	\$1,562,342,176	\$1,641,869,146	\$1,750,386,411
E. Unfunded Pension Benefit Obligation	\$923,963,835	\$994,119,763	\$1,072,317,994	\$1,125,643,857
Percent Funded	61.58%	61.11%	60.49%	60.86%
Payroll	\$851,663,813	\$886,113,685	\$921,123,746	\$956,956,831
Unfunded / Payroll	108.49%	112.19%	116.41%	117.63%

* Includes all receivable contributions.

TABLE XVII
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE PENSION BENEFIT OBLIGATION
EXCLUDING POST RETIREMENT MEDICAL INSURANCE SUBSIDY

Based on 8.5% Interest Assumption
Policemen

	2005	2006	2007	2008
A. Pension Benefit Obligation				
1. Retirees & Beneficiaries				
Currently Receiving Benefits				
& Term. Employees Not Yet Entitled	\$556,649,958	\$605,620,048	\$657,881,857	\$711,754,277
2. Current Employees				
a. Accumulated Employee Contributions				
With Interest	287,253,965	298,886,614	309,268,915	319,800,138
b. Employer Financed	<u>226,302,365</u>	<u>237,955,212</u>	<u>250,399,184</u>	<u>264,076,185</u>
3. Total Pension Benefit Obligation	\$1,070,206,288	\$1,142,461,874	\$1,217,549,956	\$1,295,630,600
FUNDING STATUS AT MARKET VALUE OF ASSETS				
B. Net Assets				
Market Value of Assets	\$949,618,075	\$1,017,928,371	\$1,089,105,843	\$1,171,685,150
Less: Undesignated Special Account	39,012,389	42,328,442	45,926,360	49,830,101
Less: Account for Medical Insurance Subsidy	<u>158,191,158</u>	<u>162,017,017</u>	<u>164,567,422</u>	<u>165,603,070</u>
Market Value of Assets Available for Benefits*	\$752,414,528	\$813,582,912	\$878,612,061	\$956,251,979
C. Unfunded Pension Benefit Obligation	\$317,791,760	\$328,878,962	\$338,937,895	\$339,378,621
Percent Funded	70.31%	71.21%	72.16%	73.81%
Payroll	\$221,456,367	\$230,299,655	\$239,364,637	\$248,859,151
Unfunded / Payroll	143.50%	142.80%	141.60%	136.37%
FUNDING STATUS AT ACTUARIAL VALUE OF ASSETS				
D. Net Assets				
Actuarial Value	\$718,825,703	\$767,518,647	\$817,411,293	\$876,896,564
Less: Special Account	<u>39,012,389</u>	<u>42,328,442</u>	<u>45,926,360</u>	<u>49,830,101</u>
Net Assets Available for Benefits*	\$679,813,314	\$725,190,205	\$771,484,933	\$827,066,463
E. Unfunded Pension Benefit Obligation	\$390,392,974	\$417,271,669	\$446,065,023	\$468,564,137
Percent Funded	63.52%	63.48%	63.36%	63.84%
Payroll	\$221,456,367	\$230,299,655	\$239,364,637	\$248,859,151
Unfunded / Payroll	176.28%	181.19%	186.35%	188.28%

* Includes all receivable contributions.

TABLE XVII
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE PENSION BENEFIT OBLIGATION
EXCLUDING POST RETIREMENT MEDICAL INSURANCE SUBSIDY

Based on 8.5% Interest Assumption
Firemen

	2005	2006	2007	2008
A. Pension Benefit Obligation				
1. Retirees & Beneficiaries				
Currently Receiving Benefits				
& Term. Employees Not Yet Entitled	\$302,568,844	\$320,861,431	\$341,096,786	\$363,006,159
2. Current Employees				
a. Accumulated Employee Contributions				
With Interest	143,234,143	152,124,670	160,649,625	169,242,137
b. Employer Financed	<u>128,037,787</u>	<u>136,885,139</u>	<u>146,179,838</u>	<u>155,833,667</u>
3. Total Pension Benefit Obligation	\$573,840,774	\$609,871,240	\$647,926,249	\$688,081,963
FUNDING STATUS AT MARKET VALUE OF ASSETS				
B. Net Assets				
Market Value of Assets	\$476,770,307	\$511,760,115	\$549,095,882	\$591,990,942
Less: Undesignated Special Account	38,279,399	41,533,148	45,063,466	48,893,861
Less: Account for Medical Insurance Subsidy	<u>85,963,015</u>	<u>88,497,997</u>	<u>90,691,649</u>	<u>92,434,083</u>
Market Value of Assets Available for Benefits*	\$352,527,893	\$381,728,970	\$413,340,767	\$450,662,998
C. Unfunded Pension Benefit Obligation	\$221,312,881	\$228,142,270	\$234,585,482	\$237,418,965
Percent Funded	61.43%	62.59%	63.79%	65.50%
Payroll	\$91,029,441	\$96,064,939	\$101,219,166	\$106,585,396
Unfunded / Payroll	243.12%	237.49%	231.76%	222.75%
FUNDING STATUS AT ACTUARIAL VALUE OF ASSETS				
D. Net Assets				
Actuarial Value	\$372,157,229	\$398,254,926	\$425,942,752	\$458,369,796
Less: Special Account	<u>38,279,399</u>	<u>41,533,148</u>	<u>45,063,466</u>	<u>48,893,861</u>
Net Assets Available for Benefits*	\$333,877,830	\$356,721,778	\$380,879,286	\$409,475,935
E. Unfunded Pension Benefit Obligation	\$239,962,944	\$253,149,462	\$267,046,963	\$278,606,028
Percent Funded	58.18%	58.49%	58.78%	59.51%
Payroll	\$91,029,441	\$96,064,939	\$101,219,166	\$106,585,396
Unfunded / Payroll	263.61%	263.52%	263.83%	261.39%

*Includes all receivable contributions.

TABLE XVII
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE PENSION BENEFIT OBLIGATION
EXCLUDING POST RETIREMENT MEDICAL INSURANCE SUBSIDY

Based on 8.5% Interest Assumption
Total

	2005	2006	2007	2008
A. Pension Benefit Obligation				
1. Retirees & Beneficiaries				
Currently Receiving Benefits				
& Term. Employees Not Yet Entitled	\$2,794,535,801	\$2,986,360,650	\$3,197,878,710	\$3,437,444,474
2. Current Employees				
a. Accumulated Employee Contributions				
With Interest	2,016,419,775	2,133,841,368	2,251,240,108	2,364,596,415
b. Employer Financed	<u>1,207,364,683</u>	<u>1,282,672,829</u>	<u>1,361,587,134</u>	<u>1,436,846,659</u>
3. Total Pension Benefit Obligation	\$6,018,320,259	\$6,402,874,847	\$6,810,705,952	\$7,238,887,548
FUNDING STATUS AT MARKET VALUE OF ASSETS				
B. Net Assets				
Market Value of Assets	\$4,728,590,438	\$5,054,223,428	\$5,394,156,295	\$5,809,497,403
Less: Undesignated Special Account	278,295,751	301,950,890	327,616,717	355,464,139
Less: Account for Medical Insurance Subsidy	<u>445,918,288</u>	<u>434,537,256</u>	<u>414,331,031</u>	<u>383,366,388</u>
Market Value of Assets Available for Benefits*	\$4,004,376,399	\$4,317,735,282	\$4,652,208,547	\$5,070,666,876
C. Unfunded Pension Benefit Obligation	\$2,013,943,860	\$2,085,139,565	\$2,158,497,405	\$2,168,220,672
Percent Funded	66.54%	67.43%	68.31%	70.05%
Payroll	\$2,043,568,262	\$2,141,015,611	\$2,240,330,772	\$2,341,384,830
Unfunded / Payroll	98.55%	97.39%	96.35%	92.60%
FUNDING STATUS AT ACTUARIAL VALUE OF ASSETS				
D. Net Assets				
Actuarial Value	\$3,913,568,793	\$4,169,924,944	\$4,434,692,441	\$4,768,479,122
Less: Special Account	<u>278,295,751</u>	<u>301,950,890</u>	<u>327,616,717</u>	<u>355,464,139</u>
Net Assets Available for Benefits*	\$3,635,273,042	\$3,867,974,054	\$4,107,075,724	\$4,413,014,983
E. Unfunded Pension Benefit Obligation	\$2,383,047,217	\$2,534,900,793	\$2,703,630,228	\$2,825,872,565
Percent Funded	60.40%	60.41%	60.30%	60.96%
Payroll	\$2,043,568,262	\$2,141,015,611	\$2,240,330,772	\$2,341,384,830
Unfunded / Payroll	116.61%	118.40%	120.68%	120.69%

*Includes all receivable contributions.

5. The following table presents historical trend information (in millions of dollars) for fiscal years 1987 through 2005 for the system as a whole. Estimated results are shown for the three years following. Results for fiscal years ending 1990 and prior are based on an 8% interest assumption. Results for fiscal years ending 1991 through 2004 are based on a 9% interest assumption. Results for fiscal years ending 2005 and later are based on a 8.5% interest assumption.

TABLE XVIII
TOTAL OF GROUPS

Fiscal Year Ending	Net Assets Available For Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation As A Percentage of Covered Payroll
1987	\$ 792.6	\$ 798.3	99.3%	\$ 5.7	\$ 638.7	.9%
1988	\$ 866.7	\$ 870.7	99.5%	\$ 4.0	\$ 695.7	.6%
1989	\$ 1,114.6	\$ 1,332.1	83.7%	\$ 217.5	\$ 883.3	24.6%
1990	\$ 1,245.7	\$ 1,471.9	84.6%	\$ 226.1	\$ 962.4	23.5%
1991	\$ 1,348.7	\$ 1,482.2	91.0%	\$ 133.5	\$ 1,020.6	13.1%
1992	\$ 1,517.2	\$ 1,600.5	94.8%	\$ 83.3	\$ 1,040.4	8.0%
1993	\$ 1,674.3	\$ 1,797.3	93.2%	\$ 123.0	\$ 1,111.1	11.1%
1994	\$ 1,830.9	\$ 1,954.2	93.7%	\$ 123.3	\$ 1,161.0	10.6%
1995	\$ 2,004.7	\$ 2,225.0	90.1%	\$ 220.3	\$ 1,207.5	18.2%
1996	\$ 2,172.4	\$ 2,418.9	89.8%	\$ 246.5	\$ 1,227.8	20.0%
1997	\$ 2,387.2	\$ 2,677.0	89.2%	\$ 289.8	\$ 1,267.3	22.9%
1998	\$ 2,607.9	\$ 2,924.7	89.2%	\$ 316.8	\$ 1,294.7	24.5%
1999	\$ 2,886.5	\$ 3,229.2	89.4%	\$ 342.7	\$ 1,393.6	24.6%
2000	\$ 3,109.7	\$ 3,460.3	89.9%	\$ 355.1	\$ 1,459.7	24.0%
2001	\$ 3,336.7	\$ 3,909.6	85.4%	\$ 572.9	\$ 1,615.9	35.5%
2002	\$ 3,571.1	\$ 4,192.0	85.2%	\$ 620.9	\$ 1,700.2	36.5%
2003	\$ 3,538.8	\$ 4,709.9	75.1%	\$ 1,171.1	\$ 1,872.9	62.5%
2004	\$ 3,600.3	\$ 5,054.7	71.2%	\$ 1,454.4	\$ 1,958.6	74.3%
2005	\$ 3,635.3	\$ 6,018.3	60.4%	\$ 2,383.0	\$ 2,043.6	116.6%
2006*	\$ 3,868.0	\$ 6,402.9	60.4%	\$ 2,534.9	\$ 2,141.0	118.4%
2007*	\$ 4,107.1	\$ 6,810.7	60.3%	\$ 2,703.6	\$ 2,240.3	120.7%
2008*	\$ 4,413.0	\$ 7,238.9	61.0%	\$ 2,825.9	\$ 2,341.4	120.7%

*Projected estimates.

6. In the past, the auditors for the State and the system have sought information on the actuarial present value of accrued benefits as determined under Statement No. 35 of the Financial Accounting Standards Board. We have determined these values based on the current valuation and the forecast valuations. The actuarial value of vested and nonvested accrued benefits was based on an interest rate of 8.5%.
7. The following tables present these results separately for each membership classification and in total for fiscal years ending June 30, 2005, June 30, 2006, June 30, 2007 and June 30, 2008. Results are shown both including and excluding postretirement medical liabilities and assets.

TABLE XIX
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE ACCUMULATED PLAN BENEFIT INFORMATION

Based on 8.5% Interest Assumption
Employees

	2005	2006	2007	2008
Vested Benefits				
Participants Currently Receiving Payments	\$890,858,878	\$933,225,056	\$978,279,923	\$1,034,207,609
Other Participants	<u>836,603,912</u>	<u>889,560,009</u>	<u>954,442,277</u>	<u>1,019,087,300</u>
Total Vested	\$1,727,462,790	\$1,822,785,065	\$1,932,722,200	\$2,053,294,909
Nonvested Benefits	<u>21,158,455</u>	<u>25,723,693</u>	<u>30,760,609</u>	<u>34,748,330</u>
Total Pension Liabilities	\$1,748,621,245	\$1,848,508,758	\$1,963,482,809	\$2,088,043,239
Market Value of Assets	\$1,439,406,212	\$1,547,628,791	\$1,664,283,511	\$1,807,399,824
Less: Undesignated Special Account	89,544,458	97,155,737	105,413,975	114,374,163
Less: Account for Medical Insurance Subsidy	<u>94,985,467</u>	<u>85,297,181</u>	<u>72,454,418</u>	<u>55,938,243</u>
Market Value of Assets Available for Benefits*	\$1,254,876,287	\$1,365,175,873	\$1,486,415,118	\$1,637,087,418
Funded Ratio for Pension Liability	71.76%	73.85%	75.70%	78.40%
Actuarial Present Value of Post Retirement Medical Liabilities				
Active	\$38,656,853	\$41,942,686	\$45,507,814	\$49,375,978
Retired	<u>206,003,313</u>	<u>207,175,296</u>	<u>207,139,834</u>	<u>205,689,728</u>
Total Actuarial Present Value of Post Retirement Medical Liabilities	\$244,660,166	\$249,117,982	\$252,647,648	\$255,065,706
Total Actuarial Present Value of Accrued Benefits	\$1,993,281,411	\$2,097,626,740	\$2,216,130,457	\$2,343,108,945
Market Value of Assets Available for Benefits*	\$1,349,861,754	\$1,450,473,054	\$1,558,869,536	\$1,693,025,661
Overall Funded Ratio	67.72%	69.15%	70.34%	72.26%

* Includes all receivable contributions.

TABLE XIX
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE ACCUMULATED PLAN BENEFIT INFORMATION

Based on 8.5% Interest Assumption
Teachers

	2005	2006	2007	2008
Vested Benefits				
Participants Currently Receiving Payments	\$1,023,113,274	\$1,103,494,956	\$1,195,847,749	\$1,302,361,829
Other Participants	<u>1,105,441,278</u>	<u>1,179,713,266</u>	<u>1,243,225,128</u>	<u>1,291,079,764</u>
Total Vested	\$2,128,554,552	\$2,283,208,222	\$2,439,072,877	\$2,593,441,593
Nonvested Benefits	<u>12,048,931</u>	<u>14,319,326</u>	<u>16,574,812</u>	<u>18,290,551</u>
Total Pension Liabilities	\$2,140,603,483	\$2,297,527,548	\$2,455,647,689	\$2,611,732,144
Market Value of Assets	\$1,862,795,844	\$1,976,906,151	\$2,091,671,059	\$2,238,421,487
Less: Undesignated Special Account	111,459,505	120,933,563	131,212,916	142,366,014
Less: Account for Medical Insurance Subsidy	<u>106,778,648</u>	<u>98,725,061</u>	<u>86,617,542</u>	<u>69,390,992</u>
Market Value of Assets Available for Benefits*	\$1,644,557,691	\$1,757,247,527	\$1,873,840,601	\$2,026,664,481
Funded Ratio for Pension Liability	76.83%	76.48%	76.31%	77.60%
Actuarial Present Value of Post Retirement Medical Liabilities				
Active	\$85,479,131	\$92,744,857	\$100,628,170	\$109,181,564
Retired	<u>196,168,807</u>	<u>197,932,032</u>	<u>198,652,241</u>	<u>198,145,347</u>
Total Actuarial Present Value of Post Retirement Medical Liabilities	\$281,647,938	\$290,676,889	\$299,280,411	\$307,326,911
Total Actuarial Present Value of Accrued Benefits	\$2,422,251,421	\$2,588,204,437	\$2,754,928,100	\$2,919,059,055
Market Value of Assets Available for Benefits*	\$1,751,336,339	\$1,855,972,588	\$1,960,458,143	\$2,096,055,473
Overall Funded Ratio	72.30%	71.71%	71.16%	71.81%

* Includes all receivable contributions.

TABLE XIX
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE ACCUMULATED PLAN BENEFIT INFORMATION

Based on 8.5% Interest Assumption
Policemen

	2005	2006	2007	2008
Vested Benefits				
Participants Currently Receiving Payments	\$556,158,760	\$605,087,098	\$657,309,819	\$711,139,783
Other Participants	<u>364,959,142</u>	<u>381,119,022</u>	<u>395,906,025</u>	<u>410,687,801</u>
Total Vested	\$921,117,902	\$986,206,120	\$1,053,215,844	\$1,121,827,584
Nonvested Benefits	<u>25,164,570</u>	<u>27,121,082</u>	<u>29,440,259</u>	<u>31,455,796</u>
Total Pension Liabilities	\$946,282,472	\$1,013,327,202	\$1,082,656,103	\$1,153,283,380
Market Value of Assets	\$949,618,075	\$1,017,928,371	\$1,089,105,843	\$1,171,685,150
Less: Undesignated Special Account	39,012,389	42,328,442	45,926,360	49,830,101
Less: Account for Medical Insurance Subsidy	<u>158,191,158</u>	<u>162,017,017</u>	<u>164,567,422</u>	<u>165,603,070</u>
Market Value of Assets Available for Benefits*	\$752,414,528	\$813,582,912	\$878,612,061	\$956,251,979
Funded Ratio for Pension Liability	79.51%	80.29%	81.15%	82.92%
Actuarial Present Value of Post Retirement Medical Liabilities				
Active	\$151,174,479	\$162,611,362	\$174,076,322	\$185,493,385
Retired	<u>126,430,848</u>	<u>148,502,898</u>	<u>166,237,431</u>	<u>180,420,817</u>
Total Actuarial Present Value of Post Retirement Medical Liabilities	\$277,605,327	\$311,114,260	\$340,313,753	\$365,914,202
Total Actuarial Present Value of Accrued Benefits	\$1,223,887,799	\$1,324,441,462	\$1,422,969,856	\$1,519,197,582
Market Value of Assets Available for Benefits*	\$910,605,686	\$975,599,929	\$1,043,179,483	\$1,121,855,049
Overall Funded Ratio	74.40%	73.66%	73.31%	73.85%

* Includes all receivable contributions.

TABLE XIX
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE ACCUMULATED PLAN BENEFIT INFORMATION

Based on 8.5% Interest Assumption
Firemen

	2005	2006	2007	2008
Vested Benefits				
Participants Currently Receiving Payments	\$302,486,252	\$320,771,819	\$340,999,557	\$362,900,666
Other Participants	<u>183,796,125</u>	<u>196,896,475</u>	<u>209,304,258</u>	<u>221,593,760</u>
Total Vested	\$486,282,377	\$517,668,294	\$550,303,815	\$584,494,426
Nonvested Benefits	<u>9,387,807</u>	<u>10,503,057</u>	<u>11,810,725</u>	<u>12,585,282</u>
Total Pension Liabilities	\$495,670,184	\$528,171,351	\$562,114,540	\$597,079,708
Market Value of Assets	\$476,770,307	\$511,760,115	\$549,095,882	\$591,990,942
Less: Undesignated Special Account	38,279,399	41,533,148	45,063,466	48,893,861
Less: Account for Medical Insurance Subsidy	<u>85,963,015</u>	<u>88,497,997</u>	<u>90,691,649</u>	<u>92,434,083</u>
Market Value of Assets Available for Benefits*	\$352,527,893	\$381,728,970	\$413,340,767	\$450,662,998
Funded Ratio for Pension Liability	71.12%	72.27%	73.53%	75.48%
Actuarial Present Value of Post Retirement Medical Liabilities				
Active	\$56,423,763	\$60,989,901	\$65,750,716	\$70,670,951
Retired	<u>70,337,808</u>	<u>74,603,446</u>	<u>78,548,261</u>	<u>82,369,126</u>
Total Actuarial Present Value of Post Retirement Medical Liabilities	\$126,761,571	\$135,593,347	\$144,298,977	\$153,040,077
Total Actuarial Present Value of Accrued Benefits	\$622,431,755	\$663,764,698	\$706,413,517	\$750,119,785
Market Value of Assets Available for Benefits*	\$438,490,908	\$470,226,967	\$504,032,416	\$543,097,081
Overall Funded Ratio	70.45%	70.84%	71.35%	72.40%

* Includes all receivable contributions.

TABLE XIX
NEW HAMPSHIRE RETIREMENT SYSTEM
COMPARATIVE ACCUMULATED PLAN BENEFIT INFORMATION

Based on 8.5% Interest Assumption
Total

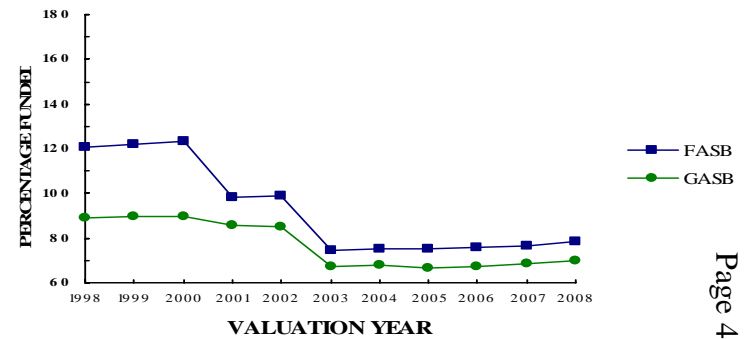
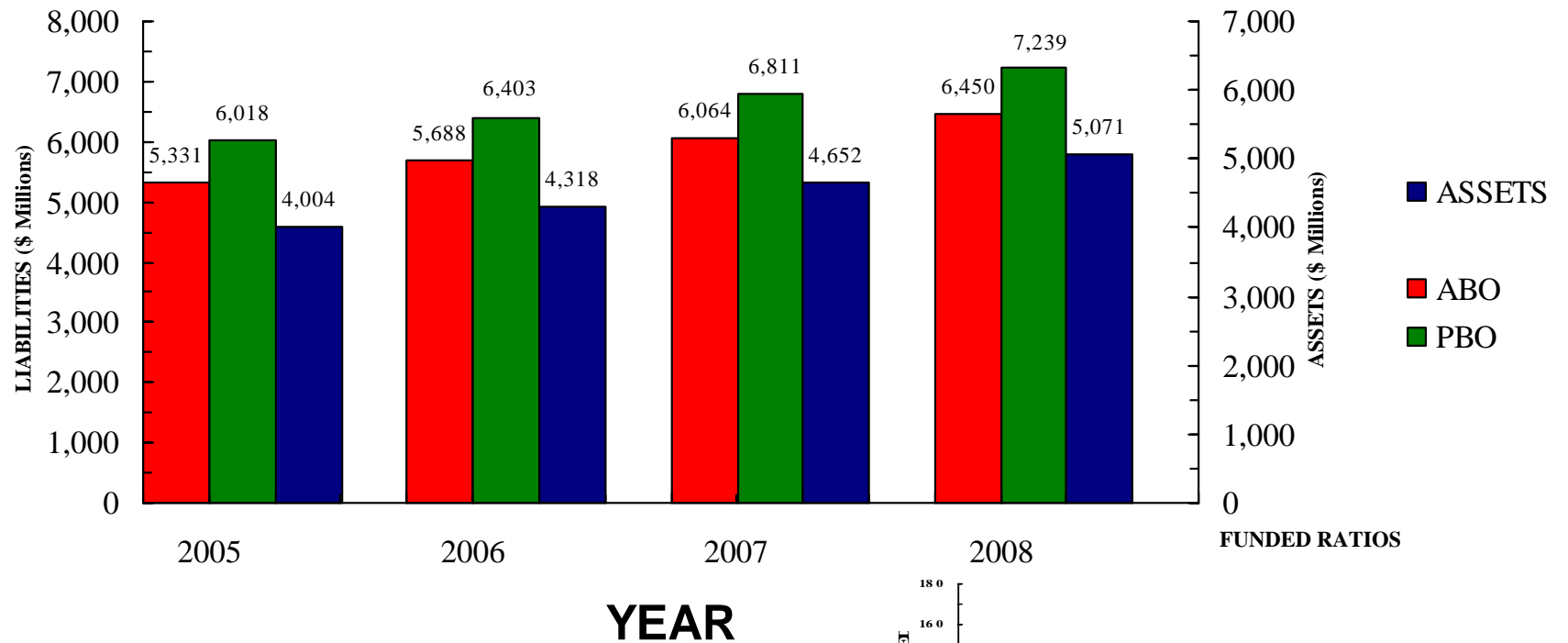
	2005	2006	2007	2008
Vested Benefits				
Participants Currently Receiving Payments	\$2,772,617,164	\$2,962,578,929	\$3,172,437,048	\$3,410,609,887
Other Participants	<u>2,490,800,457</u>	<u>2,647,288,772</u>	<u>2,802,877,688</u>	<u>2,942,448,625</u>
Total Vested	\$5,263,417,621	\$5,609,867,701	\$5,975,314,736	\$6,353,058,512
Nonvested Benefits	<u>67,759,763</u>	<u>77,667,158</u>	<u>88,586,405</u>	<u>97,079,959</u>
Total Pension Liabilities	\$5,331,177,384	\$5,687,534,859	\$6,063,901,141	\$6,450,138,471
Market Value of Assets	\$4,728,590,438	\$5,054,223,428	\$5,394,156,295	\$5,809,497,403
Less: Undesignated Special Account	278,295,751	301,950,890	327,616,717	355,464,139
Less: Account for Medical Insurance Subsidy	<u>445,918,288</u>	<u>434,537,256</u>	<u>414,331,031</u>	<u>383,366,388</u>
Market Value of Assets Available for Benefits*	\$4,004,376,399	\$4,317,735,282	\$4,652,208,547	\$5,070,666,876
Funded Ratio for Pension Liability	75.11%	75.92%	76.72%	78.61%
Actuarial Present Value of Post Retirement Medical Liabilities				
Active	\$331,734,226	\$358,288,806	\$385,963,022	\$414,721,878
Retired	<u>598,940,776</u>	<u>628,213,672</u>	<u>650,577,767</u>	<u>666,625,018</u>
Total Actuarial Present Value of Post Retirement Medical Liabilities	\$930,675,002	\$986,502,478	\$1,036,540,789	\$1,081,346,896
Total Actuarial Present Value of Accrued Benefits	\$6,261,852,386	\$6,674,037,337	\$7,100,441,930	\$7,531,485,367
Market Value of Assets Available for Benefits*	\$4,450,294,687	\$4,752,272,538	\$5,066,539,578	\$5,454,033,264
Overall Funded Ratio	71.07%	71.21%	71.36%	72.42%

*Includes all receivable contributions.

NEW HAMPSHIRE RETIREMENT SYSTEM

FUNDED RATIOS

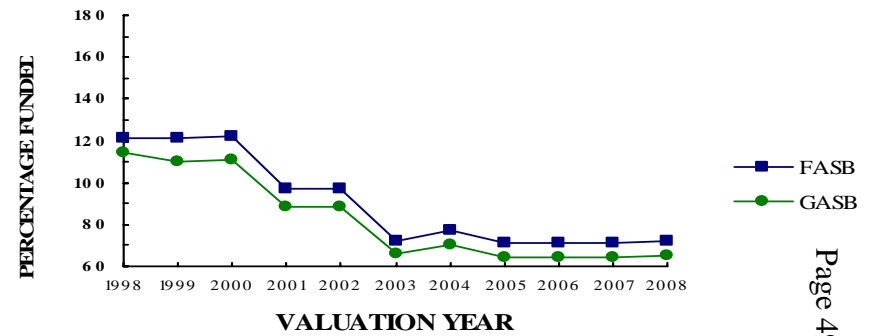
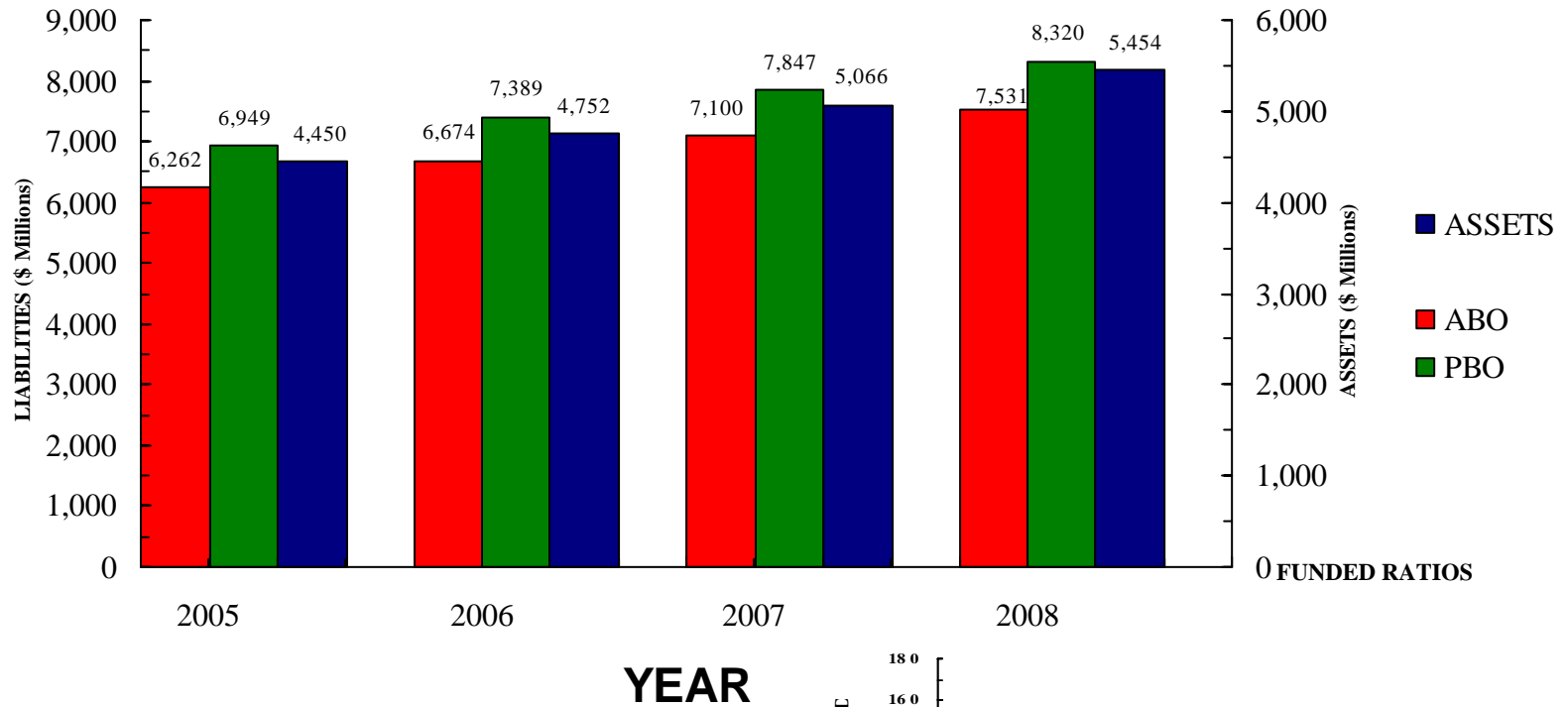
WITHOUT POSTRETIREMENT MEDICAL



NEW HAMPSHIRE RETIREMENT SYSTEM

FUNDED RATIOS

WITH POSTRETIREMENT MEDICAL



SCHEDULE A

REGULAR VALUATION BALANCE SHEETS

VALUATION BALANCE SHEET SHOWING ASSETS AND LIABILITIES*
GROUP I - EMPLOYEES

	June 30, 2005 ^Ø		June 30, 2003 ^{Ø Ø}	
ASSETS				
Actuarial value of present assets:				
(a) Credited to the membership classification				
(i) Member Annuity Savings Fund (Market value)	\$ 784,511,233		\$ 632,859,340	
(ii) State Annuity Accumulation Fund	445,905,892		559,393,867	
(b) Special Account	<u>(89,544,458)</u>		<u>(101,169,799)</u>	
Total present assets		\$ 1,140,872,667		\$ 1,091,083,408
Present value of future member contributions:				
(a) Current members	\$ 418,628,719		\$ 357,188,976	
(b) Future members	<u>832,060,138</u>		<u>644,318,322</u>	
		\$ 1,250,688,857		\$ 1,001,507,298
Present value of future employer contributions:				
(a) Towards the unfunded accrued liability	\$ 30,528		\$ 30,048	
(b) Normal contributions				
(i) Current members	645,525,463		432,913,020	
(ii) Future members	<u>1,283,858,297</u>		<u>781,002,358</u>	
		\$ 1,929,414,288		\$ 1,213,945,426
Total assets		<u>\$ 4,320,975,812</u>		<u>\$ 3,306,536,132</u>
LIABILITIES				
Present value of allowances payable to beneficiaries currently on the roll and former members entitled to deferred allowances		\$ 900,007,117		\$ 707,770,313
Present value of benefits expected to become payable on account of current active and inactive members		1,905,717,916		1,487,321,317
Present value of benefits expected to become payable on account of future active members		<u>\$ 1,515,250,779</u>		<u>\$ 1,111,444,502</u>
Total liabilities		<u>\$ 4,320,975,812</u>		<u>\$ 3,306,536,132</u>

* Excludes 401(h) Subtrust and postretirement medical liabilities. Based on the open group aggregate method.

Ø Based on an 8.5% interest rate.

ØØ Based on a 9.0% interest rate.

VALUATION BALANCE SHEET SHOWING ASSETS AND LIABILITIES*
GROUP I - TEACHERS

	June 30, 2005 ⁰		June 30, 2003 ⁰⁰	
ASSETS				
Actuarial value of present assets:				
(a) Credited to the membership classification				
(i) Member Annuity Savings Fund (Market value)	\$ 961,625,574		\$ 790,914,550	
(ii) State Annuity Accumulation Fund	630,543,162		798,972,828	
(b) Special Account	<u>(111,459,505)</u>		<u>(124,173,899)</u>	
Total present assets		\$ 1,480,709,231		\$ 1,465,713,479
Present value of future member contributions:				
(a) Current members	\$ 394,523,830		\$ 329,305,539	
(b) Future members	<u>721,447,848</u>		<u>541,759,349</u>	
		\$ 1,115,971,678		\$ 871,064,888
Present value of future employer contributions:				
(a) Current members	\$ 399,534,268		\$ 199,921,384	
(b) Future members	<u>731,293,750</u>		<u>328,491,519</u>	
		\$ 1,130,828,018		\$ 528,412,903
Present value of future state contributions:				
(a) Towards the unfunded accrued liability	\$ 0		\$ 108,567	
(b) Normal contributions				
(i) Current members	215,133,836		107,649,976	
(ii) Future members	<u>393,773,559</u>		<u>176,880,049</u>	
		\$ 608,907,395		\$ 284,638,592
Total assets		<u>\$ 4,336,416,322</u>		<u>\$ 3,149,829,862</u>
LIABILITIES				
Present value of allowances payable to beneficiaries currently on the roll and former members entitled to deferred allowances		\$ 1,035,309,882		\$ 777,173,126
Present value of benefits expected to become payable on account of current active and inactive members		2,153,687,926		1,623,561,975
Present value of benefits expected to become payable on account of future active members		<u>1,147,418,514</u>		<u>749,094,761</u>
Total liabilities		<u>\$ 4,336,416,322</u>		<u>\$ 3,149,829,862</u>

* Excludes 401(h) Subtrust and postretirement medical liabilities. Based on the open group aggregate method.

Ø Based on an 8.5% interest rate.

ØØ Based on a 9.0% interest rate.

VALUATION BALANCE SHEET SHOWING ASSETS AND LIABILITIES*
GROUP I - POLICEMEN

	June 30, 2005 ^Ø		June 30, 2003 ^{ØØ}	
ASSETS				
Actuarial value of present assets:				
(a) Credited to the membership classification				
(i) Member Annuity Savings Fund (Market value)	\$ 302,189,650		\$ 247,563,336	
(ii) State Annuity Accumulation Fund	416,636,053		464,575,762	
(b) Special Account	<u>(39,012,389)</u>		<u>(48,305,146)</u>	
Total present assets		\$ 679,813,314		\$ 663,833,952
Present value of future member contributions:				
(a) Current members	\$ 177,549,206		\$ 166,211,571	
(b) Future members	<u>361,593,585</u>		<u>287,926,355</u>	
		\$ 539,142,791		\$ 454,137,926
Present value of future assessments upon Subdivisions employing Group II members:				
(b) Normal contributions				
(i) Current members	207,808,733		143,303,452	
(ii) Future members	<u>423,130,403</u>		<u>248,192,569</u>	
		\$ 630,939,136		\$ 391,496,021
Present value of future State contributions:				
(a) Towards the unfunded accrued liability	\$ 0		\$ 502,308	
(b) Normal Contributions				
(i) Current members	111,897,010		\$ 77,163,397	
(ii) Future members	<u>227,839,448</u>		<u>133,642,153</u>	
		<u>\$ 339,736,458</u>		<u>\$ 211,307,858</u>
Total assets		<u>\$ 2,189,631,699</u>		<u>\$ 1,720,775,757</u>
LIABILITIES				
Present value of allowances payable to beneficiaries currently on the roll and former members entitled to deferred allowances		\$ 556,649,958		\$ 452,451,290
Present value of benefits expected to become payable on account of current active and inactive members		912,981,578		752,027,490
Present value of benefits expected to become payable on account of future active members		<u>720,000,163</u>		<u>516,296,977</u>
Total liabilities		<u>\$ 2,189,631,699</u>		<u>\$ 1,720,775,757</u>

* Excludes 401(h) Subtrust and postretirement medical liabilities. Based on the open group aggregate method.

Ø Based on an 8.5% interest rate.

ØØ Based on a 9.0% interest rate.

VALUATION BALANCE SHEET SHOWING ASSETS AND LIABILITIES*
GROUP II - FIREMEN

	June 30, 2005 ⁰		June 30, 2003 ⁰⁰	
ASSETS				
Actuarial value of present assets:				
(a) Credited to the membership classification				
(i) Member Annuity Savings Fund (Market value)	\$ 152,401,215		\$ 124,472,812	
(ii) State Annuity Accumulation Fund	219,756,014		241,382,599	
(b) Special Account	<u>(38,279,399)</u>		<u>(47,719,158)</u>	
Total present assets		\$ 333,877,830		\$ 318,136,253
Present value of future member contributions:				
(a) Current members	\$ 92,422,992		\$ 75,025,610	
(b) Future members	<u>156,933,159</u>		<u>105,960,844</u>	
		\$ 249,356,151		\$ 180,986,454
Present value of future assessments upon Subdivisions employing Group II members:				
(a) Current members	\$ 118,269,126		\$ 85,686,168	
(b) Future members	<u>200,451,531</u>		<u>120,772,360</u>	
		\$ 318,720,657		\$ 206,458,528
Present value of future State contributions:				
(a) Towards the unfunded accrued liability	\$ 0		\$ 269,133	
(b) Normal contributions				
(i) Current members	63,683,375		46,138,706	
(ii) Future members	<u>107,935,441</u>		<u>65,031,270</u>	
		<u>\$ 171,618,816</u>		<u>\$ 111,439,109</u>
Total assets		<u>\$ 1,073,573,454</u>		<u>\$ 817,020,344</u>
LIABILITIES				
Present value of allowances payable to beneficiaries currently on the roll and former members entitled to deferred allowances		\$ 302,568,844		\$ 249,102,267
Present value of benefits expected to become payable on account of current active and inactive members		479,946,674		375,921,584
Present value of benefits expected to become payable on account of future active members		<u>291,057,936</u>		<u>191,996,493</u>
Total liabilities		<u>\$ 1,073,573,454</u>		<u>\$ 817,020,344</u>

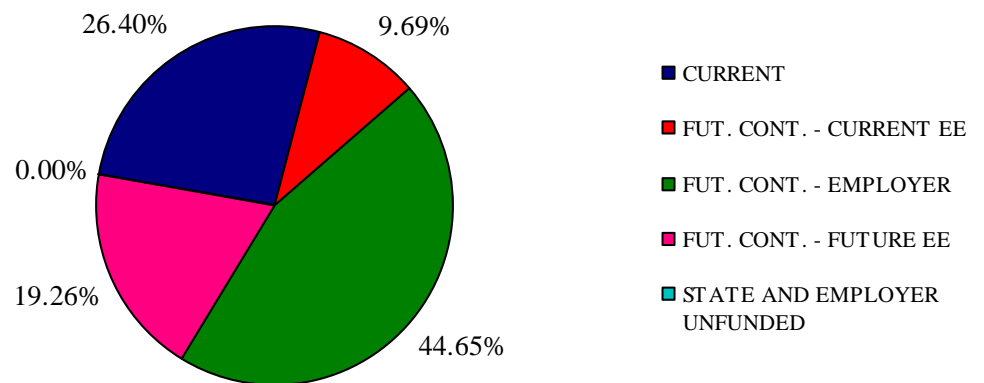
* Excludes 401(h) Subtrust and postretirement medical liabilities. Based on the open group aggregate method.

Ø Based on an 8.5% interest rate.

ØØ Based on a 9.0% interest rate.

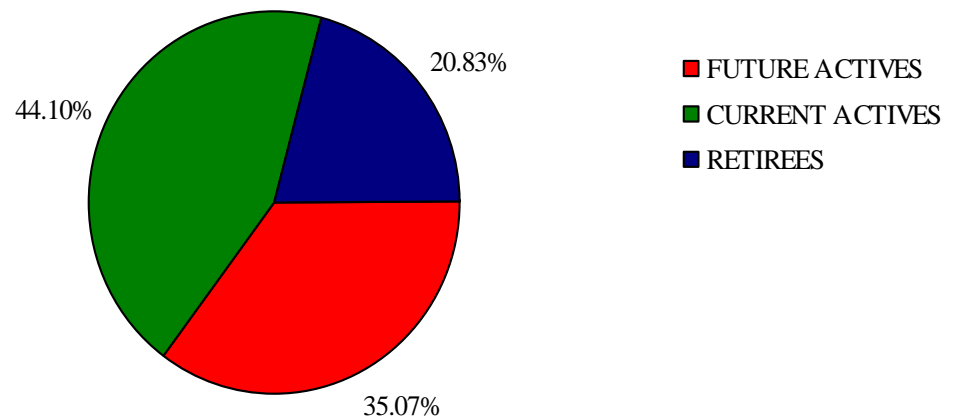
NHRS EMPLOYEES

ASSETS - JUNE 30, 2005

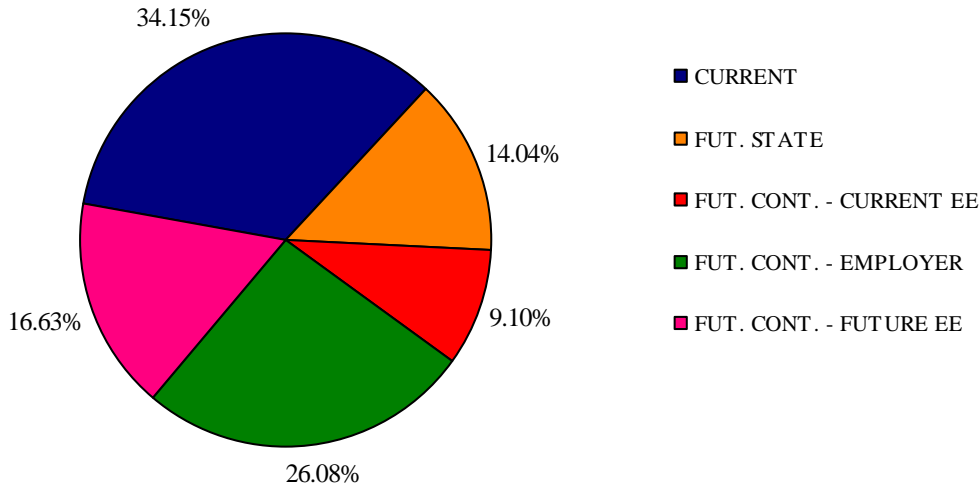


NHRS EMPLOYEES

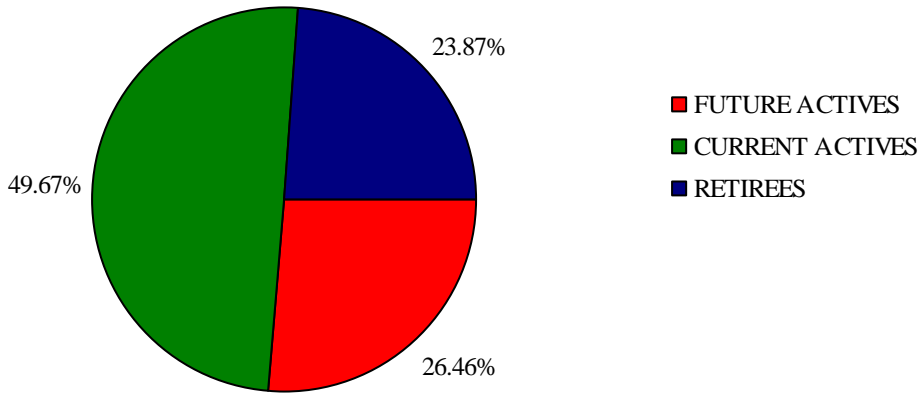
LIABILITIES - JUNE 30, 2005



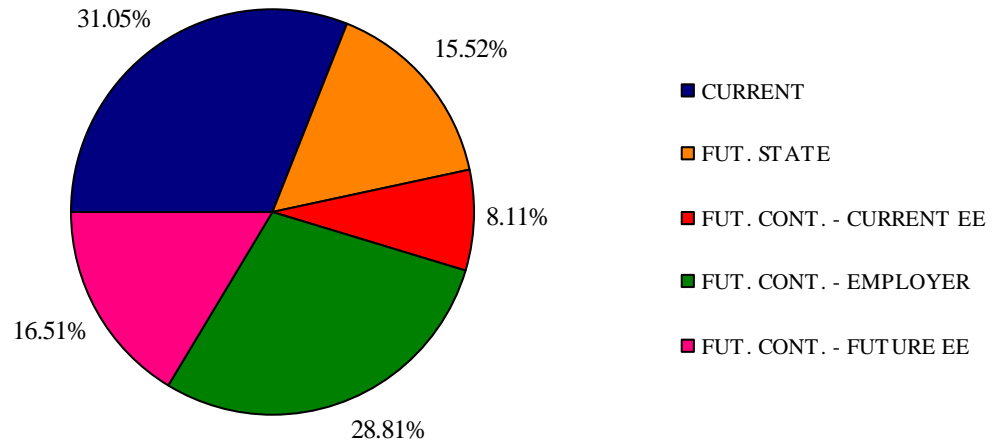
NHRS TEACHERS
ASSETS - JUNE 30, 2005



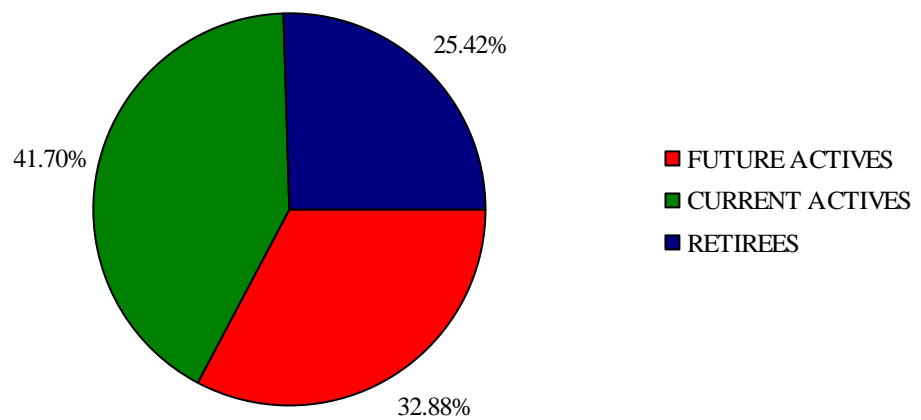
NHRS TEACHERS
LIABILITIES - JUNE 30, 2005



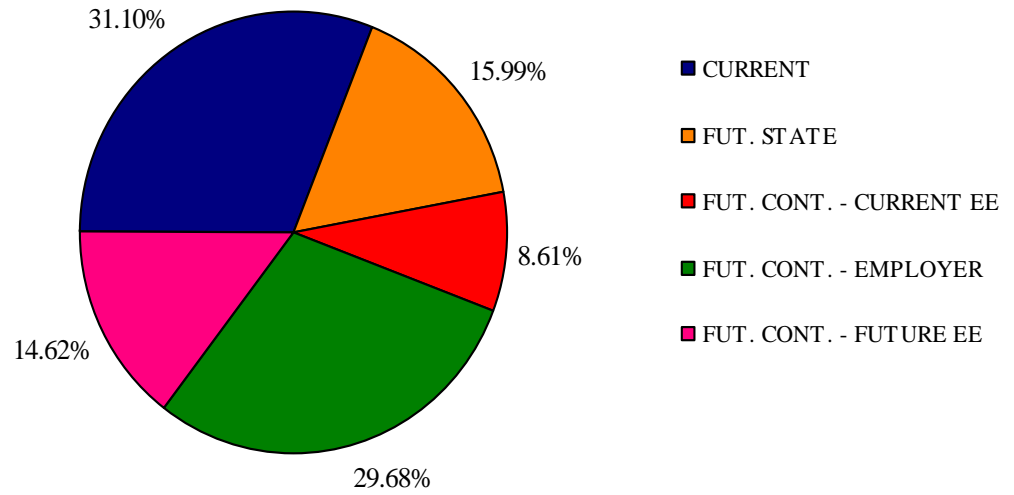
NHRS POLICEMEN **ASSETS - JUNE 30, 2005**



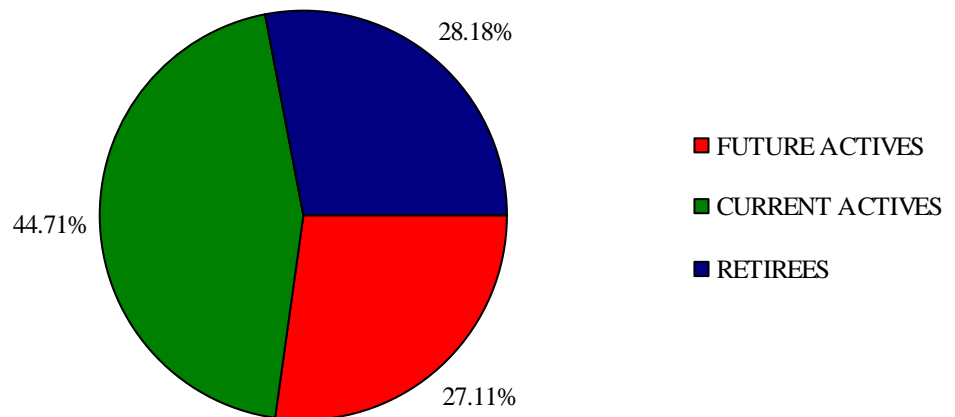
NHRS POLICEMEN **LIABILITIES - JUNE 30, 2005**



NHRS FIREMEN **ASSETS - JUNE 30, 2005**



NHRS FIREMEN **LIABILITIES - JUNE 30, 2005**



SCHEDULE B

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS
GROUP I - EMPLOYEES

INTEREST RATE: 8.5% per annum, compounded annually.
8.5% per annum, compounded annually on employee contributions.
(includes a 3.0% inflation component)

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, death, disability, early retirement and normal retirement are as follows:

<u>Age</u>	<u>Annual Rate of</u> Withdrawal and Vesting ^ø		<u>Annual Rate of</u> Death*		<u>Annual Rate of</u> Disability**	
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>
25	7.00%	8.00%	.06%	.02%	.04%	.02%
30	6.50	7.00	.06	.03	.05	.02
35	5.50	6.00	.06	.04	.10	.05
40	4.50	5.00	.06	.07	.18	.08
45	4.00	4.00	.10	.10	.22	.12
50	3.50	3.50	.15	.14	.27	.18
55	3.00	3.00	.20	.18	.29	.22
59	2.20	2.60	.28	.22	.30	.24

<u>Age</u>	<u>Annual Rate of</u> Early Retirement		<u>Annual Rate of</u> Normal Retirement	
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>
55	3.50%	3.00%		
58	7.70	7.00		
61			15.00%	15.00%
64			21.00	18.50
67			24.00	19.00
70			100.00	100.00

ø Withdrawal rates for the first two years of employment are multiplied by 2.0. In addition, we assumed for postretirement medical coverage that 80% of the deferred vested terminations will elect to receive a return of member contributions in lieu of an allowance.

* 98% are assumed to be ordinary death and 2% are assumed to be accidental death.

** 50% are assumed to be ordinary disability and 50% are assumed to be accidental disability.

SALARY INCREASES: Representative values of the assumed rates of future salary increases are as follows:

<u>Age</u>	<u>Annual Rate of</u> <u>Salary Increases</u>
25	13.75%
30	9.25
35	8.25
40	6.85
45	6.65
50	6.45
55	6.25
60	6.05
64	5.89

DEATHS AFTER RETIREMENT: According to the 1995 Buck Mortality Table set forward 1 year for men and women. A special mortality table was used for the period after disability retirement.

VALUATION METHOD: Open group aggregate. Gains and losses are spread over the average future careers of both current and future active members. If not well funded, the minimum normal contribution rate shall not be less than the rate determined using the target funding method with a funding goal of 115% over a 30 year horizon and an 8% interest rate to value the accumulated benefit obligation. The funding goal is the ratio of the market value of assets to the accumulated benefit obligation.

ASSET VALUATION METHOD: Five-year moving average of market values based on unit values. Under this method an artificial unit value is established as a starting point, and based on that value the starting number of units is determined. The increase in the number of units is determined by converting the net cash flow, excluding realized and unrealized gains and losses, into additional units based on the unit value at the beginning of the measurement period. At the end of the measurement period the number of units is divided into the market value of the fund to determine the new unit value. The average unit value over the past five years is multiplied by the number of units available at the valuation date to determine the value of assets at the valuation date. The actual value of assets used in the valuation is the middle value among book, market and the five-year average value, however, it cannot be lower than the five-year average value.

PERCENTAGE MARRIED: 80% of active members are assumed to be married and eligible for spouse's benefit with the husband assumed to be three years older than the wife. Of the married members 80% are assumed to elect spousal coverage for postretirement coverage.

SEVERANCE PAY: The valuation recognizes 100% of the effect of severance pay.

EXPENSES: None.

PROJECTION ASSUMPTIONS: The following additional assumptions were used in projecting the workforce. All other assumptions for projection purposes were identical to the valuation assumptions outlined above.

Workforce Size: Constant

New Entrant Distribution: The new entrants are assumed to be 35% male and 65% female distributed by age as follows:

		<u>Male</u>		<u>Female</u>	
<u>Age</u>	<u>Percent</u>	<u>2005 Compen- sation Level*</u>	<u>Percent</u>	<u>2005 Compen- sation Level*</u>	
20	10.0%	\$ 21,000	5.0%	\$ 18,000	
25	15.0	23,000	15.0	21,000	
30	10.0	26,000	10.0	23,000	
35	10.0	31,000	10.0	23,000	
40	10.0	32,000	15.0	23,000	
45	15.0	32,000	15.0	24,000	
50	15.0	33,000	15.0	25,000	
55	10.0	33,000	10.0	26,000	
60	5.0	33,000	5.0	28,000	

*Increases at 5.0% per annum.

Investments: The total realized rate of return on adjusted assets was 8.5% per annum during the projection period.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS
GROUP I - TEACHERS

INTEREST RATE: 8.5% per annum, compounded annually.
8.5% per annum, compounded annually on employee contributions.
(includes a 3.0% inflation component)

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, death, disability, early retirement and normal retirement are as follows:

<u>Age</u>	<u>Annual Rate of</u>					
	<u>Withdrawal and Vesting^ø</u>		<u>Death*</u>		<u>Disability**</u>	
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>
25	4.50%	4.50%	.02%	.03%	.01%	.01%
30	4.00	4.00	.03	.03	.01	.01
35	3.50	3.50	.04	.03	.01	.01
40	2.75	3.00	.05	.05	.01	.01
45	2.75	2.00	.06	.05	.02	.02
50	3.50	2.50	.12	.10	.05	.05
55	4.00	3.50	.18	.15	.20	.10
59	4.40	3.90	.18	.15	.20	.01

<u>Age</u>	<u>Annual Rate of</u>			
	<u>Early Retirement</u>		<u>Normal Retirement</u>	
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>
55	5.00%	4.00%		
58	13.00	9.00		
61			22.00%	18.00%
64			25.00	24.00
67			28.00	27.00
70			100.00	100.00

ø Withdrawal rates for first year of employment are multiplied by 3.0 and for second year of employment are multiplied by 2.0. In addition, we assumed for postretirement medical coverage that 80% of the deferred vested terminations will elect to receive a return of member contributions in lieu of an allowance.

* 98% are assumed to be ordinary death and 2% are assumed to be accidental death.

** 92% are assumed to be ordinary disability and 8% are assumed to be accidental disability.

SALARY INCREASES: Representative values of the assumed rates of future salary increases are as follows:

<u>Age</u>	<u>Annual Rate of Salary Increases</u>
25	8.75%
30	7.00
35	6.50
40	6.00
45	5.50
50	5.00
55	4.75
60	4.50
64	4.50

DEATHS AFTER RETIREMENT: According to the 1995 Buck Mortality Table set back 2 years for men. A special mortality table was used for the period after disability retirement.

VALUATION METHOD: Open group aggregate. Gains and losses are spread over the average future careers of both current and future active members. If not well funded, the minimum normal contribution rate shall not be less than the rate determined using the target funding method with a funding goal of 115% over a 30 year horizon and an 8% interest rate to value the accumulated benefit obligation. The funding goal is the ratio of the market value of assets to the accumulated benefit obligation.

ASSET VALUATION METHOD: Five-year moving average of market values based on unit values. Under this method an artificial unit value is established as a starting point, and based on that value the starting number of units is determined. The increase in the number of units is determined by converting the net cash flow, excluding realized and unrealized gains and losses, into additional units based on the unit value at the beginning of the measurement period. At the end of the measurement period the number of units is divided into the market value of the fund to determine the new unit value. The average unit value over the past five years is multiplied by the number of units available at the valuation date to determine the value of assets at the valuation date. The actual value of assets used in the valuation is the middle value among book, market and the five-year average value, however, it cannot be lower than the five-year average value.

PERCENTAGE MARRIED: 80% of active members are assumed to be married and eligible for spouse's benefit with the husband assumed to be three years older than the wife. Of the married members 80% are assumed to elect spousal coverage for postretirement coverage.

SEVERANCE PAY: The valuation recognizes 100% of the effect of severance pay.

EXPENSES: None.

PROJECTION ASSUMPTIONS: The following additional assumptions were used in projecting the workforce. All other assumptions for projection purposes were identical to the valuation assumptions outlined above.

Workforce Size: Constant.

New Entrant Distribution: The new entrants are assumed to be 25% male and 75% female distributed by age as follows:

Age	Percent	Male		Percent	Female	
			2005 Compensation Level*			2005 Compensation Level*
25	25.0%	\$	33,000	35.0%	\$	32,000
30	20.0		34,000	20.0		36,000
35	15.0		38,000	10.0		38,000
40	15.0		41,000	10.0		38,000
45	5.0		43,000	10.0		38,000
50	10.0		43,000	10.0		40,000
55	10.0		43,000	5.0		41,000

*Increases at 5.0% per annum.

Investments: The total realized rate of return on adjusted assets was 8.5% per annum during the projection period.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS
GROUP II - POLICEMEN

INTEREST RATE: 8.5% per annum, compounded annually.
8.5% per annum, compounded annually on employee contributions.
(includes a 3.0% inflation component)

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal, vesting, death, disability, and retirement are as follows:

<u>Age</u>	<u>Withdrawal and Vesting</u>	<u>Annual Rate of Death</u>		<u>Disability</u>		<u>Retirement</u>
		<u>Ordinary</u>	<u>Accidental</u>	<u>Ordinary</u>	<u>Accidental</u>	
25	5.50%	.05%	.01%	.01%	.01%	
30	4.50	.06	.01	.02	.01	
35	3.50	.07	.01	.02	.15	
40	3.00	.10	.01	.06	.20	
45	3.00	.14	.01	.14	.25	27.00%
50	3.00	.16	.01	.20	.30	30.00
55	2.00	.24	.01	.36	.35	33.00
60	2.00	.30	.01	1.38	.40	27.00
64		.40	.01	2.19	.40	27.92
67						29.17
70						100.00

SALARY INCREASES: Representative values of the assumed rates of future salary increases are as follows:

<u>Age</u>	<u>Annual Rate of Salary Increases</u>
25	12.75%
30	8.25
35	7.00
40	5.75
45	5.75
50	5.75
55	5.75
60	5.75
64	5.75

DEATHS AFTER RETIREMENT: According to the 1995 George B. Buck Mortality Table set forward 1 year for men and women. A special mortality table was used for the period after disability retirement.

NORMAL RETIREMENT: Age 45 with 20 years of service or age 60 if earlier.

VALUATION METHOD: Open group aggregate. Gains and losses are spread over the average future careers of both current and future active members. If not well funded, the minimum normal contribution rate shall not be less than the rate determined using the target funding method with a funding goal of 115% over a 30 year horizon and an 8% interest rate to value the accumulated benefit obligation. The funding goal is the ratio of the market value of assets to the accumulated benefit obligation.

ASSET VALUATION METHOD: Five-year moving average of market values based on unit values. Under this method an artificial unit value is established as a starting point, and based on that value the starting number of units is determined. The increase in the number of units is determined by converting the net cash flow, excluding realized and unrealized gains and losses, into additional units based on the unit value at the beginning of the measurement period. At the end of the measurement period the number of units is divided into the market value of the fund to determine the new unit value. The average unit value over the past five years is multiplied by the number of units available at the valuation date to determine the value of assets at the valuation date. The actual value of assets used in the valuation is the middle value among book, market and the five-year average value, however, it cannot be lower than the five-year average value.

PERCENTAGE MARRIED: 50% of active members are assumed to be married and eligible for spouse's benefit with the husband assumed to be three years older than the wife. 40% of active members are assumed to be married and elect spousal coverage for postretirement medical benefits.

SEVERANCE PAY: The valuation recognizes 100% of the effect of severance pay.

EXPENSES: None.

PROJECTION ASSUMPTIONS: The following additional assumptions were used in projecting the workforce. All other assumptions for projection purposes were identical to the valuation assumptions outlined above.

Workforce Size: Constant.

New Entrant Distribution: The new entrants are assumed to be all males distributed by age as follows:

<u>Age</u>	<u>Percent</u>	<u>2005 Compensation Level*</u>
20	5.0%	\$ 29,000
25	40.0	33,000
30	20.0	33,000
35	15.0	33,000
40	5.0	33,000
45	5.0	33,000
50	5.0	35,000
55	5.0	37,000

*Increases at 5.0% per annum.

Investments: The total realized rate of return on adjusted assets was 8.5% per annum during the projection period.

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS
GROUP II - FIREMEN

INTEREST RATE: 8.5% per annum, compounded annually.
8.5% per annum, compounded annually on employee contributions.
(includes a 3.0% inflation component)

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of withdrawal and vesting, death, disability, and retirement are as follows:

<u>Annual Rate of</u>						
<u>Age</u>	<u>Withdrawal and Vesting</u>	<u>Death</u>		<u>Disability</u>		<u>Retirement</u>
		<u>Ordinary</u>	<u>Accidental</u>	<u>Ordinary</u>	<u>Accidental</u>	
25	1.00%	.04%	.02%	.02%	.05%	
30	1.00	.04	.02	.02	.07	
35	1.00	.05	.02	.02	.09	
40	1.00	.07	.02	.02	.20	
45	1.00	.10	.02	.02	.30	15.00%
50	1.00	.11	.02	.02	.35	15.00
55	1.00	.17	.02	.02	.40	25.00
60		.21	.02	.02	.40	30.00
64		.28	.02	.02	.40	26.00
67						25.00
70						100.00

SALARY INCREASES: Representative values of the assumed rates of future salary increases are as follows:

<u>Age</u>	<u>Annual Rate of Salary Increases</u>
25	13.00%
30	10.00
35	8.00
40	6.25
45	6.25
50	6.25
55	6.25
60	6.25
64	6.25

DEATHS AFTER RETIREMENT: According to the 1989 George B. Buck Mortality Table setback 3 years for males. A special mortality table was used for the period after disability retirement.

NORMAL RETIREMENT: Age 45 with 20 years of service or age 60 if earlier.

VALUATION METHOD: Open group aggregate. Gains and losses are spread over the average future careers of both current and future active members. If not well funded, the minimum normal contribution rate shall not be less than the rate determined using the target funding method with a funding goal of 115% over a 30 year horizon and an 8% interest rate to value the accumulated benefit obligation. The funding goal is the ratio of the market value of assets to the accumulated benefit obligation.

ASSET VALUATION METHOD: Five-moving average of market values based on unit values. Under this method an artificial unit value is established as a starting point, and based on that value the starting number of units is determined. The increase in the number of units is determined by converting the net cash flow, excluding realized and unrealized gains and losses, into additional units based on the unit value at the beginning of the measurement period. At the end of the measurement period the number of units is divided into the market value of the fund to determine the new unit value. The average unit value over the past five years is multiplied by the number of units available at the valuation date to determine the value of assets at the valuation date. The actual value of assets used in the valuation is the middle value among book, market and the five-year average value, however, it cannot be lower than the five-year average value.

PERCENTAGE MARRIED: 50% of active members are assumed to be married and eligible for spouse's benefit with the husband assumed to be three years older than the wife. 40% of active members assumed to be married and elect spousal coverage for postretirement medical benefits.

SEVERANCE PAY: The valuation recognizes 100% of the effect of severance pay.

EXPENSES: None.

PROJECTION ASSUMPTIONS: The following additional assumptions were used in projecting the workforce. All other assumptions for projection purposes were identical to the valuation assumptions outlined above.

Workforce Size: Constant.

New Entrant Distribution: The new entrants are assumed to be all males distributed by age as follows:

<u>Age</u>	<u>Percent</u>	<u>2005 Compensation Level*</u>
20	10.0%	\$ 39,000
25	25.0	39,000
30	25.0	40,000
35	20.0	40,000
40	10.0	42,000
45	10.0	46,000

*Increases at 5.0% per annum.

Investments: The total realized rate of return on adjusted assets was 8.5% per annum during the projection period.

SCHEDULE C

**BRIEF SUMMARY OF PRINCIPAL PLAN PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES**

BRIEF SUMMARY OF PRINCIPAL PLAN PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES

1 - GENERAL

Plan Name	New Hampshire Retirement System.
Effective Date	July 1, 1967.
Membership	Prospectively, any employee, teacher, permanent policeman or permanent fireman becomes a member as a condition of employment; except in the case of elected officials or officials appointed for fixed terms, membership is optional.
Average Final Compensation (AFC)	Average annual compensation during highest 3 years.

2 - BENEFITS

GROUP I MEMBERS (EMPLOYEES AND TEACHERS)

Service Retirement	
Eligibility	Age 60.
Amount of Benefit	<p>A member annuity equal to the actuarial equivalent of the member's accumulated contributions plus a state annuity.</p> <p>Prior to the member's attainment of age 65, the state annuity, together with the member annuity, shall be equal to 1/60 of AFC multiplied by years of service.</p> <p>After attainment of age 65, the state annuity, together with the member annuity, shall be equal to 1/66 of AFC multiplied by years of service.</p>
Reduced Service Retirement	
Eligibility	Age plus service of at least 70, provided the member has at least 20 years of service or age 50 with at least 10 years of service.
Amount of Benefit	Service retirement benefit reduced by the following percents for each month that benefits commence prior to age 60.

<u>Years of Service at Retirement</u>	<u>Monthly Percent Reduction</u>
35 or more	1/8 of 1%
30 - 35	1/4 of 1%
25 - 30	1/3 of 1%
20 - 25	5/12 of 1%
less than 20	5/9 of 1%

Ordinary Disability Retirement

Eligibility	10 years of service and permanent disability.
Amount of Benefit	Service retirement benefit if age 60, otherwise a member annuity plus a state annuity which together equals 1.5% of AFC multiplied by the number of years of creditable service at the time of disability; provided that the benefit shall not be less than 25% of AFC.

Accidental Disability Retirement

Eligibility	Permanently disabled due to accident occurring while in the performance of duty.
Amount of Benefit	Service retirement benefit if age 60, otherwise a member annuity plus a state annuity which together equals 50% of AFC; provided that the benefit shall not be less than 50% of AFC.

Ordinary Death Benefit

Eligibility	Death, other than accidental death.
Amount of Benefit	<p>(a) If 10 years of service or if eligible for service retirement and,</p> <p>(i) if survived by a spouse, 50% of the service retirement benefit payable until death or remarriage;</p> <p>(ii) if no surviving spouse or member designated a beneficiary other than his spouse, a lump sum equal to the greater of \$3,600 or the member's annual compensation.</p>

- (b) If less than 10 years of service and if not eligible for service retirement, a lump sum equal to the greater of \$3,600 or the member's annual compensation.

Accidental Death Benefit

Eligibility

Accidental death occurring while in the performance of duty.

Amount of Benefit

Benefit equal to 50% of AFC.

Vested Deferred Retirement

Eligibility

10 years of service, if no withdrawal of contributions.

Amount of Benefit

Payable at age 60, a member annuity plus a state annuity which together equals the service retirement benefit that would be payable after age 60. The benefit changes at age 65 as for service retirement. At any time after attainment of age 50, a member may have his benefit commence early, however, the benefit will be reduced for early commencement using the same early retirement reduction factors as described under reduced service retirement.

Return of Members' Contributions

- (a) Upon termination of service other than for retirement or death, and if vested deferred retirement has not been elected, the member's accumulated contributions are returned to him.
- (b) Upon accidental death or upon other death for which no surviving spouse's benefit is payable, the member's accumulated contributions will be paid to the member's beneficiary or estate.
- (c) Upon death prior to age 60 of a member on deferred vested retirement, the member's accumulated contributions will be paid to the member's beneficiary or estate.
- (d) Upon death of a retired member (or the survivor of a retired member, if an optional benefit was elected), the excess of his accumulated contributions at retirement over the benefits received by the retired member (and, in the case of election of an optional benefit, the benefits received by the survivor) will be paid to the beneficiary or estate of the member.

Special Provisions Applicable
to Certain Members Transferred
from the Employees' Retirement
System of the State of New
Hampshire

Certain employee members transferred to the New Hampshire Retirement System effective January 1, 1976 have elected to have their benefits calculated on the basis of the provisions of the Predecessor System.

GROUP II MEMBERS (POLICEMEN AND FIREMEN)

Service Retirement

Eligibility Age 45 and 20 years service or age 60 if earlier (age 65 before July 1, 1989) regardless of the number of years of service.

Amount of Benefit A member annuity equal to the actuarial equivalent of the member's accumulated contributions plus a state annuity which together with the member annuity is equal to 2-1/2% of AFC times years of service, but not more than 40 years. Effective July 1, 1992, if a member retires on a full service retirement, the minimum annual benefit (prior to reduction for optional form of payment) is \$5,200. The minimum annual benefit is reduced for benefits payable from Social Security and from any public body benefits.

Ordinary Disability Retirement

Eligibility 10 years service and permanent disability.

Amount of Benefit A member annuity plus a state annuity which together equals the service retirement benefit; provided that the benefit shall not be less than 25% of the member's annual compensation.

Accidental Disability Retirement

Eligibility Permanent disability occurring while in the performance of duty.

Amount of Benefit A member annuity as for service retirement plus a state annuity which together with the member annuity is equal to 2/3 of AFC. If a member has completed more than 26-2/3 years of service, then a supplemental disability allowance will also be paid equal to 2-1/2% of AFC multiplied by service in excess of 26-2/3 years but not in excess of 40 years.

Ordinary Death Benefit

Eligibility Death other than accidental death.

Amount of Benefit	<p>(a) If 10 years of service or if eligible for service retirement and,</p> <p>(i) if survived by a spouse, 50% of the service retirement benefit payable until death or remarriage.</p> <p>(ii) if no surviving spouse or member designated a beneficiary other than his spouse, a lump sum equal to the greater of \$3,600 or member's annual compensation.</p> <p>(b) If less than 10 years of service and not eligible for service retirement, a lump sum equal to the greater of \$3,600 or the member's annual compensation.</p>						
Accidental Death Benefit							
Eligibility	Accidental death occurring while in the performance of duty.						
Amount of Benefit	50% of the annual rate of compensation payable first to spouse until death or remarriage, then to children under age 18 or if no spouse or children, to dependent parent.						
Death after Retirement	<p><u>Retirement Prior to April 1, 1987</u></p> <p>Lump sum of \$3,600 unless accidental disability retirement, then surviving spouse receives 50% of the retired member's disability benefits payable until death or remarriage.</p> <p><u>Retirement on or after April 1, 1987</u></p> <p>Benefit payable to surviving spouse until death or remarriage equal to 50% of the member's service, ordinary disability or accidental disability retirement allowance if member was married on the date of retirement plus a lump sum. The lump sum shall be equal to:</p> <table> <tr> <td>If retired prior to July 1, 1988:</td><td>\$ 3,600</td></tr> <tr> <td>If retired on or after July 1, 1988:</td><td></td></tr> <tr> <td> If Group II member as of June 30, 1988</td><td>\$10,000</td></tr> </table>	If retired prior to July 1, 1988:	\$ 3,600	If retired on or after July 1, 1988:		If Group II member as of June 30, 1988	\$10,000
If retired prior to July 1, 1988:	\$ 3,600						
If retired on or after July 1, 1988:							
If Group II member as of June 30, 1988	\$10,000						

If becomes a Group II member
after June 30, 1988 and prior
to July 1, 1993

\$ 3,600

Special Death Benefit - Old Firemen's
System

Continuance of duty-connected disability benefits to spouse
of deceased retired member payable until death or
remarriage.

Vested Deferred Retirement

Eligibility

10 years of service, if no withdrawal of contributions.

Amount of Benefit

A benefit determined as for service retirement payable when
the member would be age 45 with 20 years of service or age
60 if earlier.

Return of Members'

Contributions

- (a) Upon termination of service other than for retirement
or death, and if vested deferred retirement has not
been elected, the member's accumulated contributions
are returned to the member.
- (b) Upon accidental death or upon other death for which
no surviving spouse's benefit is payable, the member's
accumulated contributions will be paid to the
member's beneficiary or estate.
- (c) Upon death of a member on vested deferred
retirement prior to the time benefits commence, the
member's accumulated contributions will be paid to
the member's beneficiary or estate.
- (d) Upon death of the survivor of a member retired on
accidental disability and his spouse in receipt of the
accidental disability survivor benefit, the excess of the
member's accumulated contributions at retirement
over the benefits received by the member and his
spouse will be paid to his beneficiary or estate.
- (e) Upon death of a retired member (or the survivor of a
retired member, if an optional benefit was elected),
the excess of accumulated contributions at retirement

over the benefits received by the retired member (and, in the case of election of an optional benefit, the benefits received by the survivor) will be paid to the beneficiary or estate of the member.

Benefits for Call Firemen

Accidental Disability

Annual benefit not to exceed \$1,250 if permanently disabled while in the performance of duty.

Accidental Death

Annual benefit not to exceed \$1,250 if death as a result of injury received while in the performance of duty. Paid to spouse until death or remarriage, then to children until age 18 or if no spouse or children under 18, to the dependent parent.

Death after Accidental Disability

Upon death of a call fireman receiving accidental disability benefits, the benefit will continue to be paid to the spouse until death or remarriage, then to children under age 18.

3 - CONTRIBUTIONS

GROUP I MEMBERS (EMPLOYEES AND TEACHERS)

By Members

5.00% of compensation.

By Employer

For Employee Members

100% of the normal contribution rate for their employees plus accrued liability contributions, if any.

For Teacher Members

65% of the normal contribution rate for their employees plus 65% of the accrued liability contributions, if any.

By the State

For Employee Members

100% of the normal contribution rate for its employees plus accrued liability contributions, plus any delinquent accrued liability contributions.

For Teacher Members

35% of the normal contribution rate for the employees of the employing subdivisions plus 35% of the accrued liability contributions, if any, plus any delinquent accrued liability contributions. In the case of teacher members employed by the state, the state shall pay 100% of both the normal and accrued liability contributions, if any.

GROUP II MEMBERS (POLICEMEN AND FIREMEN)

By Members

Policemen and Firemen

9.30% of compensation.

Call Firemen

\$6 per year (not refundable).

By Employing Subdivisions

65% of the normal contribution rate for their employees plus 65% of the accrued liability contributions, if any.

By the State

35% of the normal contribution rate for the employees of the employing subdivision plus 35% accrued liability contributions, if any, plus any delinquent accrued liability contributions. In the case of Group II members employed by the state, the state shall pay 100% of both the normal and accrued liability contributions, if any.

SCHEDULE D

TABLES OF EMPLOYEE DATA

TABLE 1

**Number and Annual Compensation of Male Employees
By Fifth Age and Service Category
as of June 30, 2005**

Age	Service													Total
	1	5	10	15	20	25	30	35	40	45	50	55	59	
20	142	12	0	0	0	0	0	0	0	0	0	0	0	154
	1,942,737	330,611	0	0	0	0	0	0	0	0	0	0	0	2,273,348
25	345	163	3	0	0	0	0	0	0	0	0	0	0	511
	6,732,254	5,125,524	139,146	0	0	0	0	0	0	0	0	0	0	11,996,924
30	316	276	57	1	0	0	0	0	0	0	0	0	0	650
	8,456,418	9,810,735	2,139,350	48,304	0	0	0	0	0	0	0	0	0	20,454,807
35	341	410	203	81	12	0	0	0	0	0	0	0	0	1,047
	10,552,442	15,656,345	8,171,705	3,276,839	463,864	0	0	0	0	0	0	0	0	38,121,195
40	373	390	200	203	131	4	0	0	0	0	0	0	0	1,301
	11,958,340	15,424,739	8,754,937	8,993,606	5,773,811	194,728	0	0	0	0	0	0	0	51,100,161
45	370	497	254	226	179	94	13	0	0	0	0	0	0	1,633
	11,770,054	19,364,407	11,083,657	9,831,158	8,365,828	3,987,328	615,580	0	0	0	0	0	0	65,018,012
50	348	475	279	268	199	178	100	18	0	0	0	0	0	1,865
	10,283,123	17,837,625	12,094,898	12,498,055	9,402,356	8,372,462	4,813,260	904,572	0	0	0	0	0	76,206,351
55	291	429	243	260	174	142	189	67	7	0	0	0	0	1,802
	8,235,276	16,522,484	10,473,208	12,218,582	8,194,656	7,584,073	9,338,822	3,690,563	448,233	0	0	0	0	76,705,897
60	158	345	179	170	153	66	93	71	24	2	0	0	0	1,261
	4,206,198	12,378,464	7,484,278	7,448,899	6,935,507	3,366,949	5,071,085	4,266,023	1,455,495	145,362	0	0	0	52,758,260
63	34	108	45	34	42	10	15	8	7	3	1	0	0	307
	974,984	3,755,067	1,823,667	1,373,937	2,121,908	503,553	808,035	440,738	257,542	366,624	79,021	0	0	12,505,076
66	10	27	18	9	12	2	2	1	1	0	0	0	0	82
	203,581	954,773	654,169	395,695	583,035	65,278	97,757	75,562	32,463	0	0	0	0	3,062,313
70	17	34	21	14	9	1	0	1	1	1	0	1	0	100
	299,968	1,100,238	727,416	489,022	459,467	54,431	0	40,117	58,641	33,806	0	45,796	0	3,308,902
74	8	10	6	4	5	2	0	0	0	0	0	0	0	35
	156,202	246,493	187,725	207,155	156,039	84,975	0	0	0	0	0	0	0	1,038,589
Total	2,753	3,176	1,508	1,270	916	499	412	166	40	6	1	1	0	10,748
	75,771,577	118,507,505	63,734,156	56,781,252	42,456,471	24,213,777	20,744,539	9,417,575	2,252,374	545,792	79,021	45,796	0	414,549,835

TABLE 2

**Number and Annual Compensation of Female Employees
By Fifth Age and Service Category
as of June 30, 2005**

Age	Service													Total
	1	5	10	15	20	25	30	35	40	45	50	55	59	
20	193	14	0	0	0	0	0	0	0	0	0	0	0	207
	2,320,866	300,478	0	0	0	0	0	0	0	0	0	0	0	2,621,344
25	574	243	4	0	0	0	0	0	0	0	0	0	0	821
	9,225,224	6,570,377	119,101	0	0	0	0	0	0	0	0	0	0	15,914,702
30	405	375	81	1	0	0	0	0	0	0	0	0	0	862
	7,653,350	10,991,441	2,575,913	31,792	0	0	0	0	0	0	0	0	0	21,252,496
35	451	552	182	108	8	0	0	0	0	0	0	0	0	1,301
	8,342,451	16,632,250	6,671,640	3,942,714	348,624	0	0	0	0	0	0	0	0	35,937,679
40	603	741	305	244	120	7	0	0	0	0	0	0	0	2,020
	11,990,120	22,311,799	10,732,723	9,687,436	4,662,228	276,772	0	0	0	0	0	0	0	59,661,078
45	669	994	395	262	189	110	16	0	0	0	0	0	0	2,635
	13,400,526	27,370,181	13,883,885	10,160,886	7,814,533	4,494,889	606,251	0	0	0	0	0	0	77,731,151
50	580	970	508	384	247	165	88	17	0	0	0	0	0	2,959
	12,363,933	27,263,430	17,285,592	14,452,392	9,685,109	7,098,956	3,919,532	784,457	0	0	0	0	0	92,853,401
55	412	730	429	414	288	147	96	43	8	0	0	0	0	2,567
	8,874,797	21,466,188	14,881,873	15,204,085	10,700,065	6,505,706	4,392,718	1,784,996	350,623	0	0	0	0	84,161,051
60	219	410	278	287	252	135	67	36	9	1	0	0	0	1,694
	5,196,619	11,973,508	9,648,593	9,960,141	8,489,135	5,214,415	3,021,167	1,571,300	530,818	32,572	0	0	0	55,638,268
63	32	92	58	65	67	26	18	6	1	5	1	0	0	371
	720,629	2,783,681	1,795,631	2,155,653	2,278,122	918,797	812,290	256,060	11,213	207,485	43,154	0	0	11,982,715
66	5	27	21	8	14	8	5	2	2	0	0	0	0	92
	81,006	727,111	723,215	248,937	556,401	352,479	224,911	70,096	84,565	0	0	0	0	3,068,721
70	13	19	24	15	8	11	3	2	5	1	1	1	0	103
	296,261	618,023	647,141	364,663	222,002	407,973	88,379	73,557	210,116	22,388	19,477	38,607	0	3,008,587
74	4	4	3	8	7	5	1	1	1	0	0	0	0	34
	46,255	151,030	84,146	287,819	241,660	147,107	21,373	30,737	27,486	0	0	0	0	1,037,613
Total	4,160	5,171	2,288	1,796	1,200	614	294	107	26	7	2	1	0	15,666
	80,512,037	149,159,497	79,049,453	66,496,518	44,997,879	25,417,094	13,086,621	4,571,203	1,214,821	262,445	62,631	38,607	0	464,868,806

TABLE 3

**Number and Annual Compensation of Male Teachers
By Fifth Age and Service Category
as of June 30, 2005**

Age	Service													Total
	1	5	10	15	20	25	30	35	40	45	50	55	59	
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	154	99	0	0	0	0	0	0	0	0	0	0	0	253
	4,578,624	3,473,341	0	0	0	0	0	0	0	0	0	0	0	8,051,965
30	135	288	43	0	0	0	0	0	0	0	0	0	0	466
	4,407,816	10,811,067	1,895,151	0	0	0	0	0	0	0	0	0	0	17,114,034
35	92	249	185	16	0	0	0	0	0	0	0	0	0	542
	3,306,508	10,081,803	9,120,090	821,693	0	0	0	0	0	0	0	0	0	23,330,094
40	67	174	137	110	21	1	0	0	0	0	0	0	0	510
	2,527,002	7,546,985	6,788,040	5,874,353	1,198,694	52,600	0	0	0	0	0	0	0	23,987,674
45	57	119	100	92	120	36	0	0	0	0	0	0	0	524
	2,274,042	5,126,521	4,911,600	4,952,579	6,762,948	2,221,295	0	0	0	0	0	0	0	26,248,985
50	68	128	70	73	114	132	62	0	0	0	0	0	0	647
	2,465,547	5,627,788	3,626,771	3,961,360	6,570,481	7,866,104	3,722,101	0	0	0	0	0	0	33,840,152
55	54	91	93	78	95	145	214	98	3	0	0	0	0	871
	2,134,018	4,149,929	4,808,839	4,365,952	5,503,426	8,601,923	12,974,308	6,139,742	176,282	0	0	0	0	48,854,419
60	40	50	48	45	75	54	93	125	30	5	0	0	0	565
	1,824,825	2,412,515	2,495,252	2,460,581	4,387,786	3,158,517	5,669,379	8,216,315	2,083,645	339,315	0	0	0	33,048,130
63	5	11	7	10	6	6	5	7	7	3	1	0	0	68
	134,108	545,009	353,497	600,225	332,908	313,775	322,623	516,948	449,542	202,985	60,391	0	0	3,832,011
66	0	5	1	1	0	0	0	1	2	0	0	0	0	10
	0	312,591	52,150	61,000	0	0	0	60,600	165,268	0	0	0	0	651,609
70	0	3	0	0	0	1	0	0	0	0	0	0	0	4
	0	159,155	0	0	0	74,366	0	0	0	0	0	0	0	233,521
74	0	0	1	0	0	0	0	0	0	1	0	0	0	2
	0	0	62,462	0	0	0	0	0	0	47,327	0	0	0	109,789
Total	672	1,217	685	425	431	375	374	231	42	9	1	0	0	4,462
	23,652,490	50,246,704	34,113,852	23,097,743	24,756,243	22,288,580	22,688,411	14,933,605	2,874,737	589,627	60,391	0	0	219,302,383

TABLE 5

**Number and Annual Compensation of Male Policemen
By Fifth Age and Service Category
as of June 30, 2005**

Age	Service													Total
	1	5	10	15	20	25	30	35	40	45	50	55	59	
20	40	0	0	0	0	0	0	0	0	0	0	0	0	40
	678,865	0	0	0	0	0	0	0	0	0	0	0	0	678,865
25	276	170	0	0	0	0	0	0	0	0	0	0	0	446
	7,427,696	8,206,388	0	0	0	0	0	0	0	0	0	0	0	15,634,084
30	149	379	91	0	0	0	0	0	0	0	0	0	0	619
	4,378,885	18,374,123	5,119,687	0	0	0	0	0	0	0	0	0	0	27,872,695
35	143	276	299	72	0	0	0	0	0	0	0	0	0	790
	4,271,631	13,380,408	17,033,765	4,054,417	0	0	0	0	0	0	0	0	0	38,740,221
40	83	155	144	236	118	10	0	0	0	0	0	0	0	746
	2,395,631	6,789,466	7,492,729	14,319,753	8,089,682	747,839	0	0	0	0	0	0	0	39,835,100
45	66	81	77	115	207	71	0	0	0	0	0	0	0	617
	2,129,441	3,652,638	3,913,955	6,749,496	14,123,766	5,620,401	0	0	0	0	0	0	0	36,189,697
50	59	68	43	42	62	55	29	0	0	0	0	0	0	358
	2,303,363	3,155,365	2,147,894	2,211,459	4,034,813	4,097,344	2,452,605	0	0	0	0	0	0	20,402,843
55	45	43	36	29	27	20	13	1	0	0	0	0	0	214
	1,523,382	1,987,183	1,792,839	1,429,263	1,576,492	1,473,870	1,027,369	69,207	0	0	0	0	0	10,879,605
60	15	17	14	13	13	5	5	2	1	0	0	0	0	85
	593,153	735,158	724,636	618,894	699,483	300,341	339,599	159,952	103,919	0	0	0	0	4,275,135
63	7	2	4	1	2	0	0	0	0	0	0	0	0	16
	254,646	126,118	175,409	62,253	101,778	0	0	0	0	0	0	0	0	720,204
66	0	1	0	0	0	0	0	0	0	0	0	0	0	1
	0	52,150	0	0	0	0	0	0	0	0	0	0	0	52,150
70	2	1	1	0	0	0	0	0	0	0	0	0	0	4
	62,726	59,160	35,326	0	0	0	0	0	0	0	0	0	0	157,212
74	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	885	1,193	709	508	429	161	47	3	1	0	0	0	0	3,936
	26,019,419	56,518,157	38,436,240	29,445,535	28,626,014	12,239,795	3,819,573	229,159	103,919	0	0	0	0	195,437,811

TABLE 4

**Number and Annual Compensation of Female Teachers
By Fifth Age and Service Category
as of June 30, 2005**

Age	Service													Total
	1	5	10	15	20	25	30	35	40	45	50	55	59	
20	2	0	0	0	0	0	0	0	0	0	0	0	0	2
	15,926	0	0	0	0	0	0	0	0	0	0	0	0	15,926
25	652	386	1	0	0	0	0	0	0	0	0	0	0	1,039
	18,679,655	12,878,906	45,514	0	0	0	0	0	0	0	0	0	0	31,604,075
30	375	968	132	0	0	0	0	0	0	0	0	0	0	1,475
	11,724,405	34,027,497	5,454,596	0	0	0	0	0	0	0	0	0	0	51,206,498
35	229	577	482	54	1	0	0	0	0	0	0	0	0	1,343
	7,678,296	21,774,409	20,180,371	2,569,943	43,876	0	0	0	0	0	0	0	0	52,246,895
40	239	400	254	308	111	0	0	0	0	0	0	0	0	1,312
	8,209,258	15,798,953	11,680,202	15,376,182	5,640,821	0	0	0	0	0	0	0	0	56,705,416
45	256	598	317	242	396	81	1	0	0	0	0	0	0	1,891
	8,956,651	23,920,184	14,628,790	12,286,863	20,871,428	4,234,764	46,031	0	0	0	0	0	0	84,944,711
50	183	580	471	364	348	384	139	7	0	0	0	0	0	2,476
	6,558,753	24,177,930	22,289,663	18,678,079	18,875,265	20,948,619	7,768,520	397,759	0	0	0	0	0	119,694,588
55	111	380	412	463	453	299	467	202	14	0	0	0	0	2,801
	4,083,314	16,289,572	19,742,054	24,161,539	24,535,924	16,872,349	26,412,269	11,792,265	777,551	0	0	0	0	144,666,837
60	43	138	160	218	326	218	133	175	27	6	0	0	0	1,444
	1,773,154	6,293,107	7,999,169	11,485,680	17,603,284	12,692,932	8,237,499	10,707,095	1,541,778	406,891	0	0	0	78,740,589
63	5	14	12	26	44	25	20	7	7	4	0	0	0	164
	170,716	587,551	597,013	1,340,381	2,391,019	1,460,876	1,241,284	405,352	508,061	249,784	0	0	0	8,952,037
66	1	5	7	2	7	5	7	1	2	0	0	0	0	37
	44,138	217,533	349,004	74,657	312,085	298,542	413,237	51,750	108,889	0	0	0	0	1,869,835
70	0	1	0	4	4	5	5	4	1	0	0	0	0	24
	0	31,348	0	203,575	264,853	281,844	293,321	349,537	51,097	0	0	0	0	1,475,575
74	0	0	0	0	0	1	2	1	0	0	0	0	0	4
	0	0	0	0	0	45,861	136,672	55,915	0	0	0	0	0	238,448
Total	2,096	4,047	2,248	1,681	1,690	1,018	774	397	51	10	0	0	0	14,012
	67,894,266	155,996,990	102,966,376	86,176,899	90,538,555	56,835,787	44,548,833	23,759,673	2,987,376	656,675	0	0	0	632,361,430

TABLE 6

**Number and Annual Compensation of Female Policemen
By Fifth Age and Service Category
as of June 30, 2005**

Age	Service													Total
	1	5	10	15	20	25	30	35	40	45	50	55	59	
20	9	0	0	0	0	0	0	0	0	0	0	0	0	9
	153,135	0	0	0	0	0	0	0	0	0	0	0	0	153,135
25	43	24	0	0	0	0	0	0	0	0	0	0	0	67
	1,073,813	1,011,381	0	0	0	0	0	0	0	0	0	0	0	2,085,194
30	32	45	9	0	0	0	0	0	0	0	0	0	0	86
	910,389	1,962,962	467,054	0	0	0	0	0	0	0	0	0	0	3,340,405
35	25	39	25	4	0	0	0	0	0	0	0	0	0	93
	733,254	1,693,613	1,262,346	213,599	0	0	0	0	0	0	0	0	0	3,902,812
40	24	38	21	14	6	0	0	0	0	0	0	0	0	103
	611,129	1,595,296	1,047,371	801,229	351,285	0	0	0	0	0	0	0	0	4,406,310
45	42	32	9	7	14	5	0	0	0	0	0	0	0	109
	1,417,308	1,487,819	492,172	317,149	861,254	250,707	0	0	0	0	0	0	0	4,826,409
50	39	24	4	11	4	3	0	0	0	0	0	0	0	85
	1,256,070	1,070,648	171,297	500,669	237,042	177,669	0	0	0	0	0	0	0	3,413,395
55	18	18	3	7	2	3	0	0	0	0	0	0	0	51
	722,515	936,129	131,876	369,890	100,684	150,603	0	0	0	0	0	0	0	2,411,697
60	13	11	2	3	0	1	0	0	0	0	0	0	0	30
	492,758	501,161	109,477	170,311	0	49,280	0	0	0	0	0	0	0	1,322,987
63	1	0	0	0	0	1	0	0	0	0	0	0	0	2
	34,990	0	0	0	0	37,038	0	0	0	0	0	0	0	72,028
66	1	0	0	0	0	0	0	0	0	0	0	0	0	1
	43,021	0	0	0	0	0	0	0	0	0	0	0	0	43,021
70	1	0	0	0	0	0	0	0	0	0	0	0	0	1
	41,163	0	0	0	0	0	0	0	0	0	0	0	0	41,163
74	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	248	231	73	46	26	13	0	0	0	0	0	0	0	637
	7,489,545	10,259,009	3,681,593	2,372,847	1,550,265	665,297	0	0	0	0	0	0	0	26,018,556

TABLE 7

**Number and Annual Compensation of Male Firemen
By Fifth Age and Service Category
as of June 30, 2005**

Age	Service													Total
	1	5	10	15	20	25	30	35	40	45	50	55	59	
20	14	0	0	0	0	0	0	0	0	0	0	0	0	14
	433,169	0	0	0	0	0	0	0	0	0	0	0	0	433,169
25	47	53	0	0	0	0	0	0	0	0	0	0	0	100
	1,826,547	2,755,109	0	0	0	0	0	0	0	0	0	0	0	4,581,656
30	49	114	27	1	0	0	0	0	0	0	0	0	0	191
	1,787,342	5,806,447	1,581,441	74,838	0	0	0	0	0	0	0	0	0	9,250,068
35	49	126	81	42	5	0	0	0	0	0	0	0	0	303
	1,929,248	6,795,880	4,820,512	2,581,367	335,902	0	0	0	0	0	0	0	0	16,462,909
40	27	83	53	100	93	1	0	0	0	0	0	0	0	357
	971,604	4,314,705	3,038,489	5,992,358	6,237,478	67,060	0	0	0	0	0	0	0	20,621,694
45	21	36	21	56	96	54	7	0	0	0	0	0	0	291
	781,679	1,971,672	1,279,687	3,414,114	6,621,390	3,828,161	596,577	0	0	0	0	0	0	18,493,280
50	12	18	10	27	43	50	21	0	0	0	0	0	0	181
	586,160	933,429	616,980	1,638,505	2,830,552	3,611,166	1,497,535	0	0	0	0	0	0	11,714,327
55	7	4	6	9	13	19	21	6	0	0	0	0	0	85
	340,466	208,395	356,860	490,427	844,151	1,351,358	1,479,513	598,732	0	0	0	0	0	5,669,902
60	3	2	1	3	4	1	2	2	1	0	0	0	0	19
	123,011	83,226	65,322	198,078	262,830	65,236	166,906	195,500	73,624	0	0	0	0	1,233,733
63	3	1	1	0	0	0	2	0	0	0	0	0	0	7
	98,699	35,929	41,364	0	0	0	157,408	0	0	0	0	0	0	333,400
66	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
74	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	232	437	200	238	254	125	53	8	1	0	0	0	0	1,548
	8,877,925	22,904,792	11,800,655	14,389,687	17,132,303	8,922,981	3,897,939	794,232	73,624	0	0	0	0	88,794,138

TABLE 8

**Number and Annual Compensation of Female Firefighters
By Fifth Age and Service Category
as of June 30, 2005**

Age	Service													Total
	1	5	10	15	20	25	30	35	40	45	50	55	59	
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	3	2	0	0	0	0	0	0	0	0	0	0	0	5
	91,882	107,706	0	0	0	0	0	0	0	0	0	0	0	199,588
30	3	2	0	0	0	0	0	0	0	0	0	0	0	5
	82,934	92,193	0	0	0	0	0	0	0	0	0	0	0	175,127
35	2	5	2	1	0	0	0	0	0	0	0	0	0	10
	60,947	215,421	113,514	48,629	0	0	0	0	0	0	0	0	0	438,511
40	2	8	2	4	0	0	0	0	0	0	0	0	0	16
	35,109	368,674	154,831	226,119	0	0	0	0	0	0	0	0	0	784,733
45	3	1	2	3	0	0	0	0	0	0	0	0	0	9
	133,729	52,694	105,921	139,765	0	0	0	0	0	0	0	0	0	432,109
50	3	1	0	0	0	0	0	0	0	0	0	0	0	4
	124,510	21,375	0	0	0	0	0	0	0	0	0	0	0	145,885
55	1	0	0	0	0	0	0	0	0	0	0	0	0	1
	27,522	0	0	0	0	0	0	0	0	0	0	0	0	27,522
60	1	0	0	0	0	0	0	0	0	0	0	0	0	1
	31,828	0	0	0	0	0	0	0	0	0	0	0	0	31,828
63	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
66	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
74	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	18	19	6	8	0	0	0	0	0	0	0	0	0	51
	588,461	858,063	374,266	414,513	0	0	0	0	0	0	0	0	0	2,235,303

TABLE 9

THE NUMBER AND ANNUAL ALLOWANCES
OF RETIRED MEMBERS DISTRIBUTED
BY FIFTH AGE AS OF JUNE 30, 2005

EMPLOYEES

AGE GROUP	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
SERVICE RETIREMENTS				
38-42			1	\$ 3,301
43-47			5	29,348
48-52	23	\$ 235,163	22	200,904
53-57	132	1,844,812	147	1,677,395
58-62	455	7,859,702	498	5,532,295
63-67	763	10,760,190	975	8,826,763
68-72	884	10,756,011	892	7,070,782
73-77	758	8,736,773	728	5,383,514
78-82	507	5,168,695	543	3,838,969
83-87	284	2,541,113	339	1,870,635
88-92	94	702,311	133	773,635
93-97	20	159,592	43	254,528
98-102	2	28,025	4	26,751
 TOTAL	 3,922	 \$ 48,792,387	 4,330	 \$ 35,488,820

DISABILITY RETIREMENTS

28-32			3	\$ 33,942
33-37	3	\$ 22,593	5	50,571
38-42	12	152,326	19	252,616
43-47	25	307,226	32	331,036
48-52	48	592,872	44	488,511
53-57	77	912,600	83	913,995
58-62	81	1,065,081	88	936,421
63-67	54	574,581	58	678,099
68-72	32	322,881	25	301,846
73-77	19	255,118	13	133,075
78-82	8	140,627	5	53,328
83-87	4	36,909	7	77,415
88-92	1	9,272	1	9,195
93-97			1	9,211
98-102			1	9,077
 TOTAL	 364	 \$ 4,392,086	 385	 \$ 4,278,338

TABLE 9

CONTINUED

THE NUMBER AND ANNUAL ALLOWANCES
OF RETIRED MEMBERS DISTRIBUTED
BY FIFTH AGE AS OF JUNE 30, 2005

EMPLOYEES

AGE GROUP	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
BENEFICIARIES OF DECEASED MEMBERS				
23-27	4	\$ 9,641		
28-32	1	12,511	2	\$ 14,634
33-37			1	5,229
38-42	4	20,244	7	72,213
43-47	6	8,268	16	81,579
48-52	10	40,806	11	79,237
53-57	14	101,743	40	320,368
58-62	5	25,469	42	435,329
63-67	14	65,285	65	674,310
68-72	8	82,487	134	1,310,196
73-77	16	121,528	166	1,711,971
78-82	15	107,740	170	1,126,880
83-87	6	20,541	128	836,893
88-92	4	20,909	63	433,799
93-97			16	143,145
98-102			4	24,800
TOTAL	107	\$ 637,172	865	\$ 7,270,583

TABLE 10

THE NUMBER AND ANNUAL ALLOWANCES
OF RETIRED MEMBERS DISTRIBUTED
BY FIFTH AGE AS OF JUNE 30, 2005

TEACHERS

AGE GROUP	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
SERVICE RETIREMENTS				
43-47			1	\$ 7,948
48-52	1	\$ 14,129	12	101,235
53-57	79	1,623,920	162	2,687,426
58-62	450	10,646,051	743	14,108,037
63-67	458	11,027,408	852	15,852,380
68-72	347	8,071,317	644	11,595,684
73-77	232	5,292,018	425	7,231,462
78-82	114	2,113,963	303	4,624,298
83-87	62	885,669	265	3,328,648
88-92	22	260,210	156	1,535,643
93-97	8	96,428	111	1,102,642
98-102	1	3,810	21	154,049
TOTAL	1,774	\$ 40,034,923	3,695	\$ 62,329,452

DISABILITY RETIREMENTS

38-42			1	\$ 15,164
43-47				
48-52	1	\$ 11,041	12	175,358
53-57	8	120,097	23	369,668
58-62	7	148,400	23	344,055
63-67	10	195,495	19	306,379
68-72	9	176,168	11	167,896
73-77	9	120,782	13	163,291
78-82	4	54,241	12	121,505
83-87			7	78,228
88-92			3	31,267
93-97			2	19,355
TOTAL	48	\$ 826,224	126	\$ 1,792,166

TABLE 10

CONTINUED

THE NUMBER AND ANNUAL ALLOWANCES
OF RETIRED MEMBERS DISTRIBUTED
BY FIFTH AGE AS OF JUNE 30, 2005

TEACHERS

AGE GROUP	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
BENEFICIARIES OF DECEASED MEMBERS				
18-22			1	\$ 12,207
23-27	1	\$ 3,006		
28-32	1	2,921	2	5,927
33-37	1	7,037		
38-42	2	15,689	1	7,037
43-47	4	33,217	1	30,489
48-52	3	49,654	5	67,496
53-57	5	26,332	15	203,014
58-62	5	58,559	16	272,580
63-67	6	41,961	29	499,609
68-72	11	130,072	30	606,006
73-77	8	138,545	34	800,425
78-82	10	137,188	24	301,032
83-87	4	48,562	23	235,492
88-92	3	28,638	10	89,595
93-97	1	2,582	3	42,009
98-102			2	14,136
TOTAL	65	\$ 723,963	196	\$ 3,187,054

TABLE 11

THE NUMBER AND ANNUAL ALLOWANCES
OF RETIRED MEMBERS DISTRIBUTED
BY FIFTH AGE AS OF JUNE 30, 2005

POLICEMEN

AGE GROUP	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
SERVICE RETIREMENTS				
38-42			2	\$ 6,193
43-47	60	\$ 2,215,561	15	266,854
48-52	197	7,441,459	34	582,382
53-57	247	9,363,826	35	634,618
58-62	250	8,599,897	40	550,111
63-67	211	6,143,544	30	415,934
68-72	137	3,287,882	23	363,723
73-77	110	2,399,226	10	118,917
78-82	37	1,001,209	7	110,677
83-87	33	699,130	4	53,909
88-92	6	87,530	2	16,944
93-97	3	47,864		
98-102	1	16,509		
TOTAL	1,292	\$ 41,303,637	202	\$ 3,120,262

DISABILITY RETIREMENTS

28-32	1	\$ 22,179		
33-37	2	55,175	1	\$ 6,688
38-42	19	555,894	1	32,387
43-47	23	680,463	2	54,786
48-52	41	1,300,760	6	185,331
53-57	46	1,387,051	8	206,797
58-62	53	1,384,730	7	155,075
63-67	35	856,446	2	33,311
68-72	16	378,663	1	11,443
73-77	18	368,720	1	20,367
78-82	5	64,585		
83-87	6	83,714		
88-92	1	11,479		
93-97	1	11,227		
TOTAL	267	\$ 7,161,086	29	\$ 706,185

TABLE 11

CONTINUED

THE NUMBER AND ANNUAL ALLOWANCES
OF RETIRED MEMBERS DISTRIBUTED
BY FIFTH AGE AS OF JUNE 30, 2005

POLICEMEN

AGE GROUP	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
BENEFICIARIES OF DECEASED MEMBERS				
18-22	1	\$ 38,011	1	\$ 30,493
33-37				
38-42	1	34,641	1	14,751
43-47			2	67,483
48-52	3	82,131	14	297,914
53-57	2	32,138	13	251,985
58-62			15	417,074
63-67	1	1,292	17	300,270
68-72	5	49,549	41	629,980
73-77	4	69,175	27	372,731
78-82	3	25,922	37	404,416
83-87	2	14,576	15	154,889
88-92	2	17,312	14	184,441
93-97			1	5,739
98-102				
TOTAL	24	\$ 364,747	198	\$ 3,132,166

TABLE 12

THE NUMBER AND ANNUAL ALLOWANCES
OF RETIRED MEMBERS DISTRIBUTED
BY FIFTH AGE AS OF JUNE 30, 2005

FIREMEN

AGE GROUP	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
SERVICE RETIREMENTS				
38-42			1	\$ 4,101
43-47	12	\$ 463,233	5	75,365
48-52	110	4,432,319	10	122,706
53-57	151	5,681,056	11	139,603
58-62	136	4,940,545	11	169,845
63-67	95	3,256,056	2	35,743
68-72	69	1,950,996	1	4,595
73-77	51	1,362,683	1	23,937
78-82	49	1,176,170		
83-87	20	423,371		
88-92	8	149,497		
93-97	1	18,283		
TOTAL	702	\$ 23,854,209	42	\$ 575,895

DISABILITY RETIREMENTS

28-32	1	\$ 27,094		
33-37	1	26,072		
38-42	4	132,424		
43-47	5	134,555	1	\$ 38,296
48-52	16	498,556	1	24,497
53-57	19	496,828		
58-62	18	432,850		
63-67	24	574,814		
68-72	14	367,081		
73-77	9	211,362		
78-82	6	134,242		
83-87	6	90,598		
88-92	2	28,216		
TOTAL	125	\$ 3,154,692	2	\$ 62,793

TABLE 12

CONTINUED

THE NUMBER AND ANNUAL ALLOWANCES
OF RETIRED MEMBERS DISTRIBUTED
BY FIFTH AGE AS OF JUNE 30, 2005

FIREMEN

AGE GROUP	MALES		FEMALES	
	NUMBER	AMOUNT	NUMBER	AMOUNT
BENEFICIARIES OF DECEASED MEMBERS				
33-37	2	\$ 24,520	1	\$ 42,030
38-42			3	60,025
43-47			1	19,279
48-52			6	114,067
53-57	1	11,143	6	76,032
58-62	1	11,858	12	302,362
63-67	1	14,417	9	162,654
68-72	3	43,345	21	419,639
73-77	1	17,485	29	519,834
78-82	5	71,929	35	540,220
83-87	1	13,989	34	508,072
88-92	2	9,556	11	126,853
93-97	1	6,288	3	37,364
98-102			1	12,595
TOTAL	18	\$ 224,530	172	\$ 2,941,026

TABLE 13

NEW HAMPSHIRE RETIREMENT SYSTEM
Data Reconciliation

Actives

	Employees	Teachers	Policemen	Firemen	Total
Active as of 6/30/2003	26,371	18,710	4,305	1,524	50,910
Retired	1,331	770	200	85	2,386
Vested terminations	75	100	11	0	186
Terminations without benefits	4,685	2,239	753	116	7,793
New members	6,134	2,873	1,232	276	10,515
Active as of 6/30/2005	26,414	18,474	4,573	1,599	51,060

Deferred Vesteds

	Employees	Teachers	Policemen	Firemen	Total
Deferred vested as of 6/30/2003	312	300	23	4	639
Rehired or retired or died	101	101	5	1	208
New deferred vested	75	100	11	-	186
Deferred vested as of 6/30/2005	286	299	29	3	617

Pensioners

	Employees	Teachers	Policemen	Firemen	Total
Pensioners as of 6/30/2003	9,092	5,127	1,787	999	17,005
Died or rehired	693	293	78	66	1,130
New retirements	1,574	1,070	303	128	3,075
Pensioners as of 6/30/2005	9,973	5,904	2,012	1,061	18,950

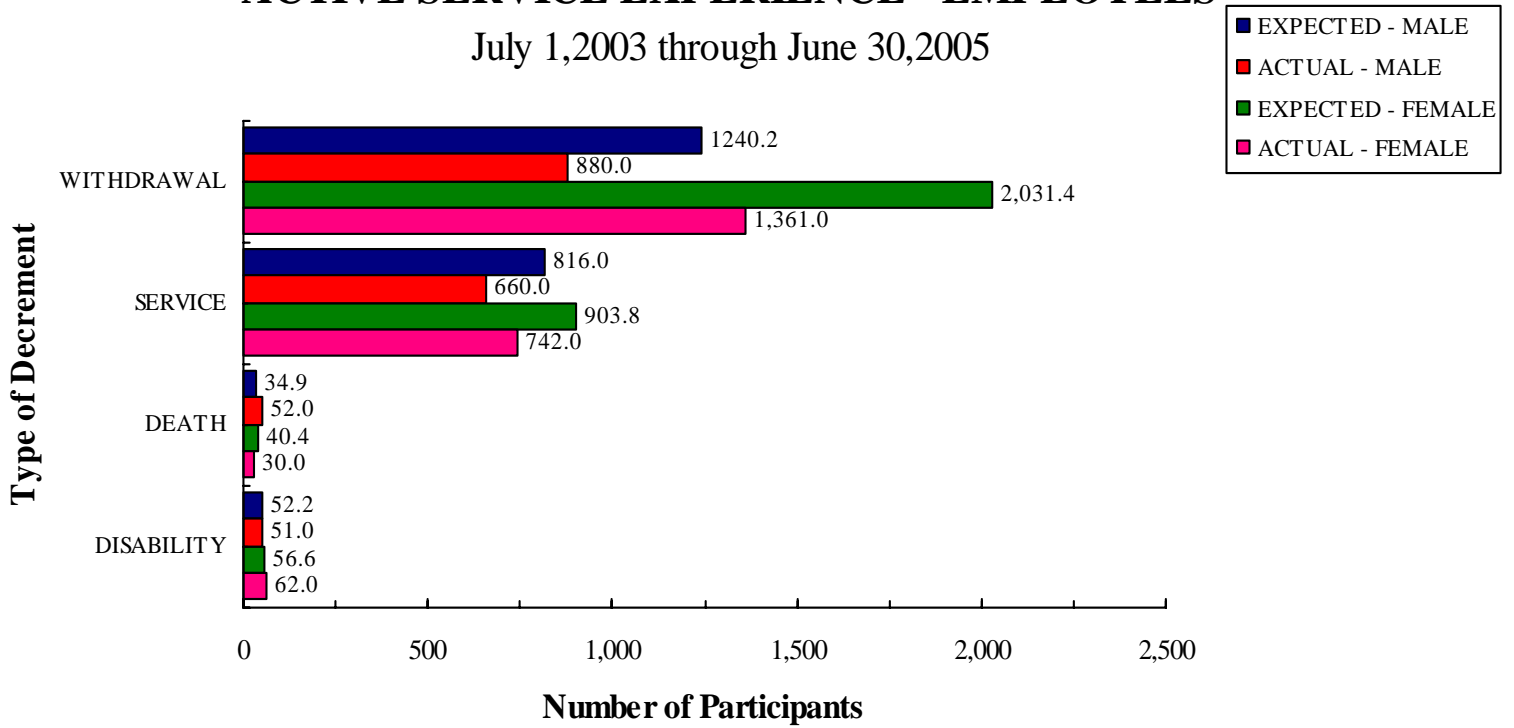
* Excludes inactive.

SCHEDULE E

EXPERIENCE GRAPHS

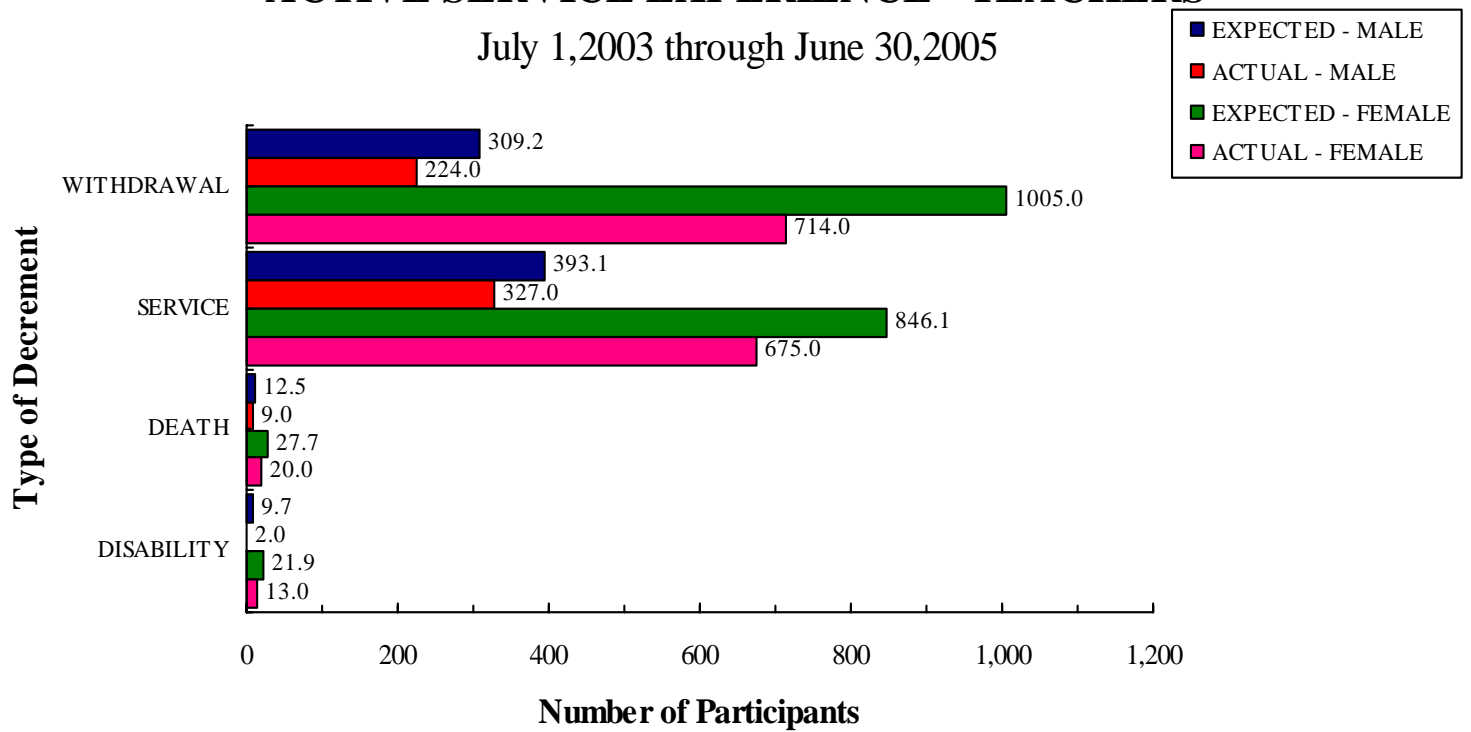
ACTIVE SERVICE EXPERIENCE - EMPLOYEES

July 1,2003 through June 30,2005



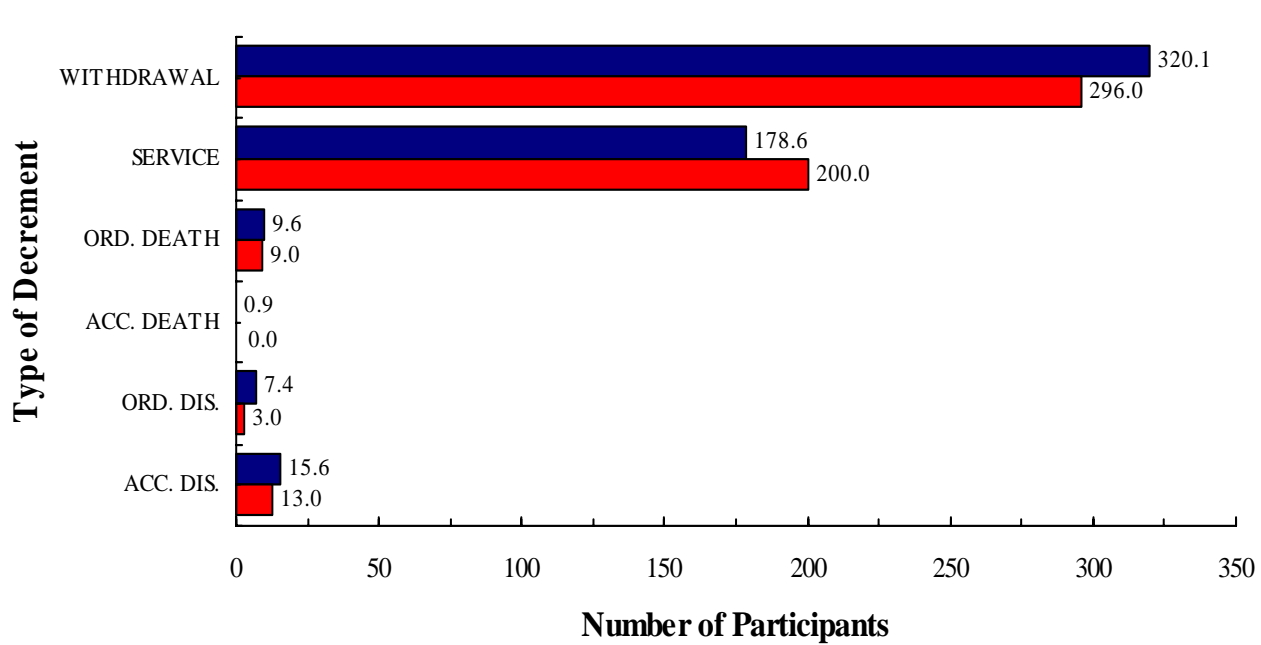
ACTIVE SERVICE EXPERIENCE - TEACHERS

July 1,2003 through June 30,2005



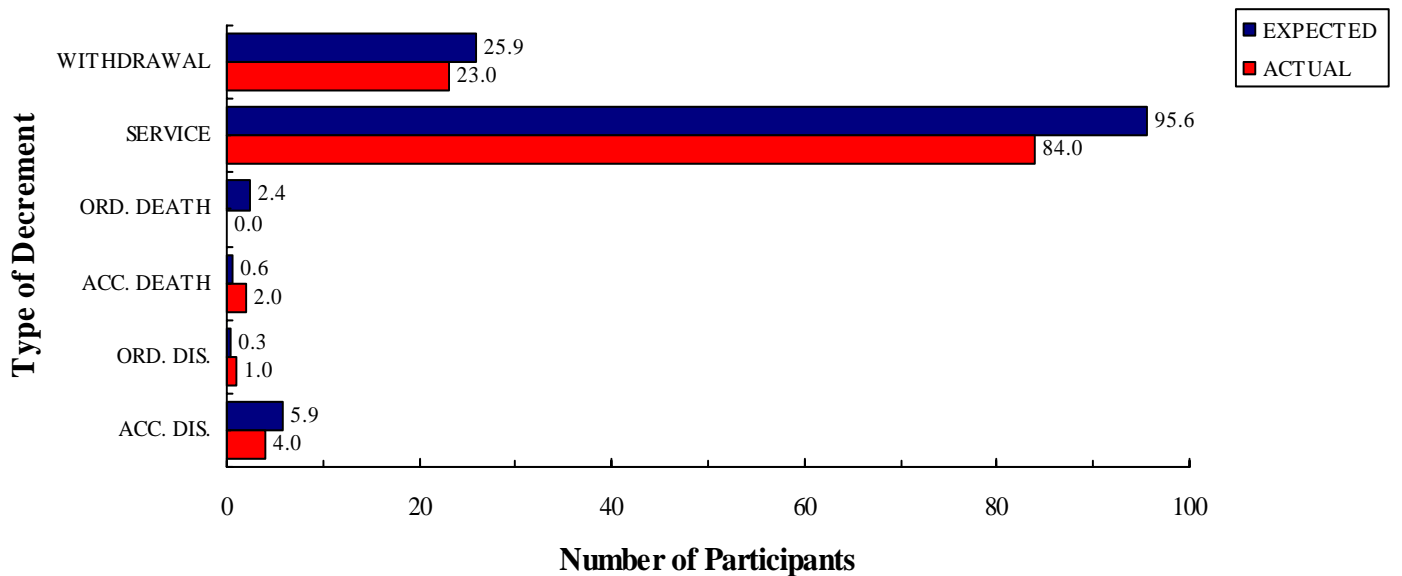
ACTIVE SERVICE EXPERIENCE - POLICEMEN

July 1, 2003 through June 30, 2005



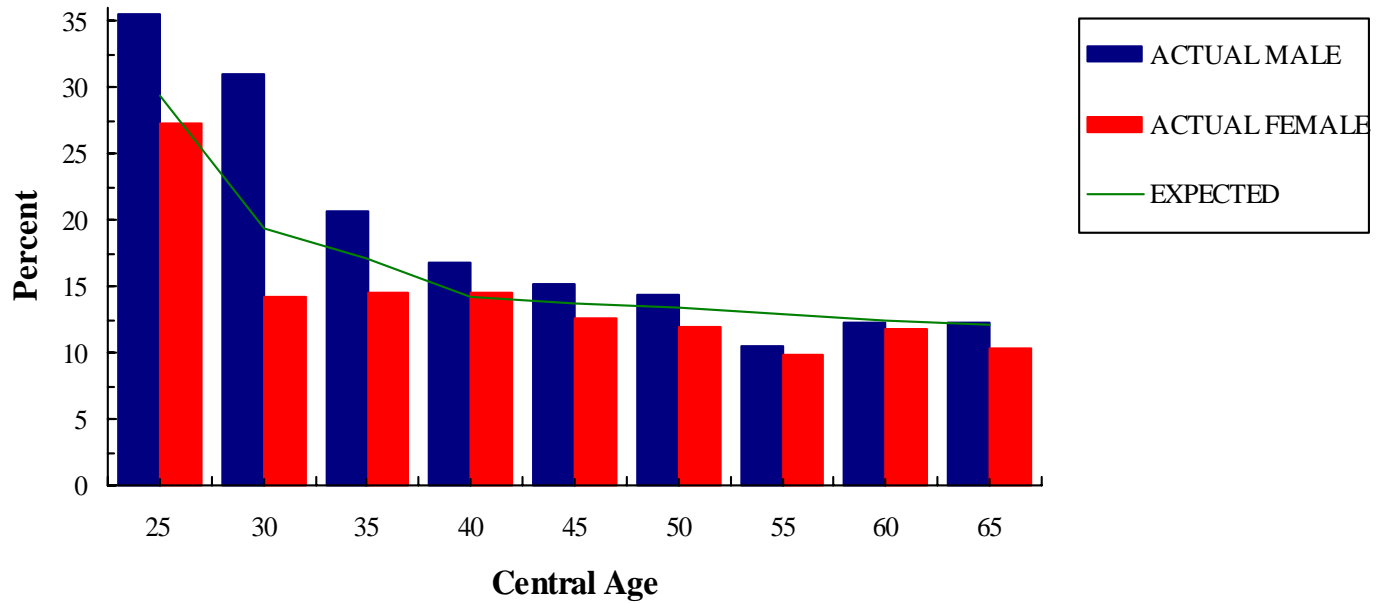
ACTIVE SERVICE EXPERIENCE - FIREMEN

July 1, 2003 through June 30, 2005



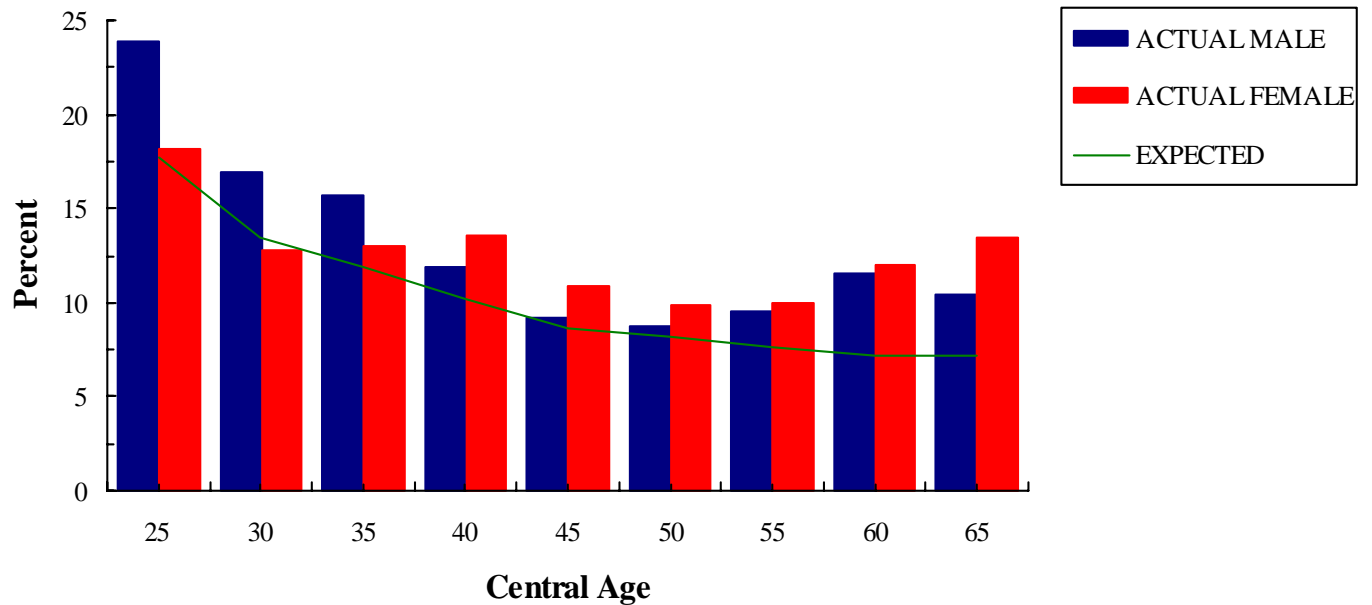
SALARY EXPERIENCE - EMPLOYEES

July 1, 2003 through June 30, 2005



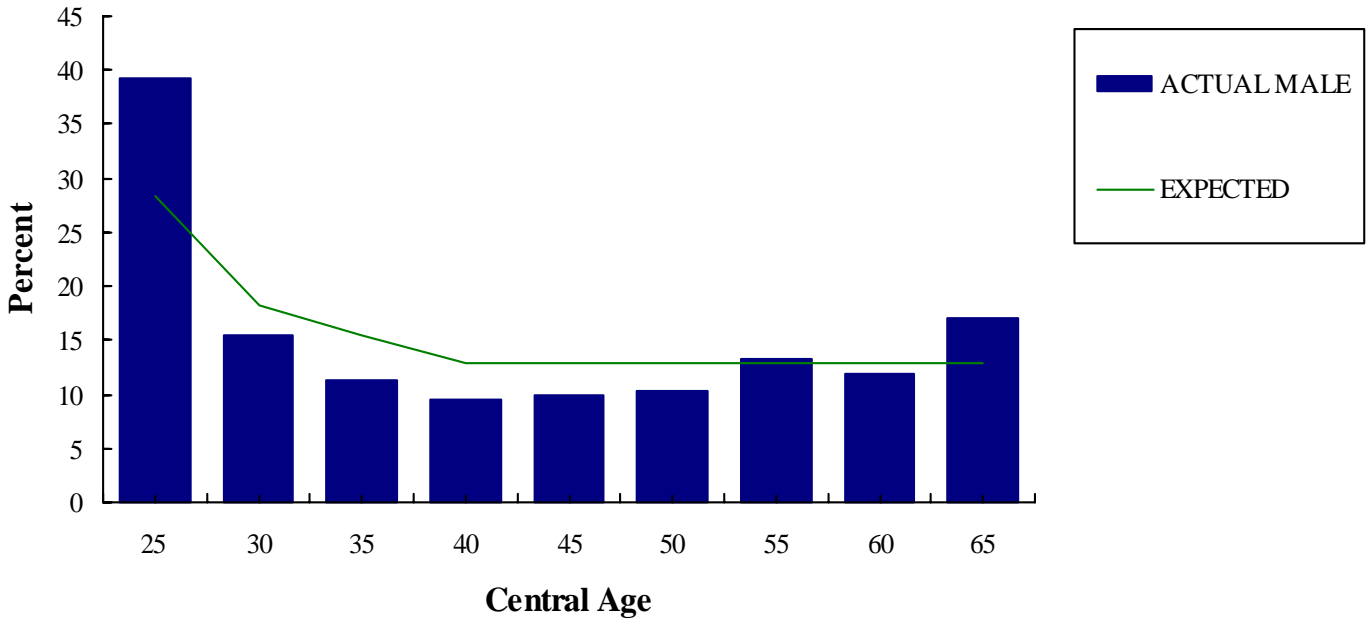
SALARY EXPERIENCE - TEACHERS

July 1, 2003 through June 30, 2005



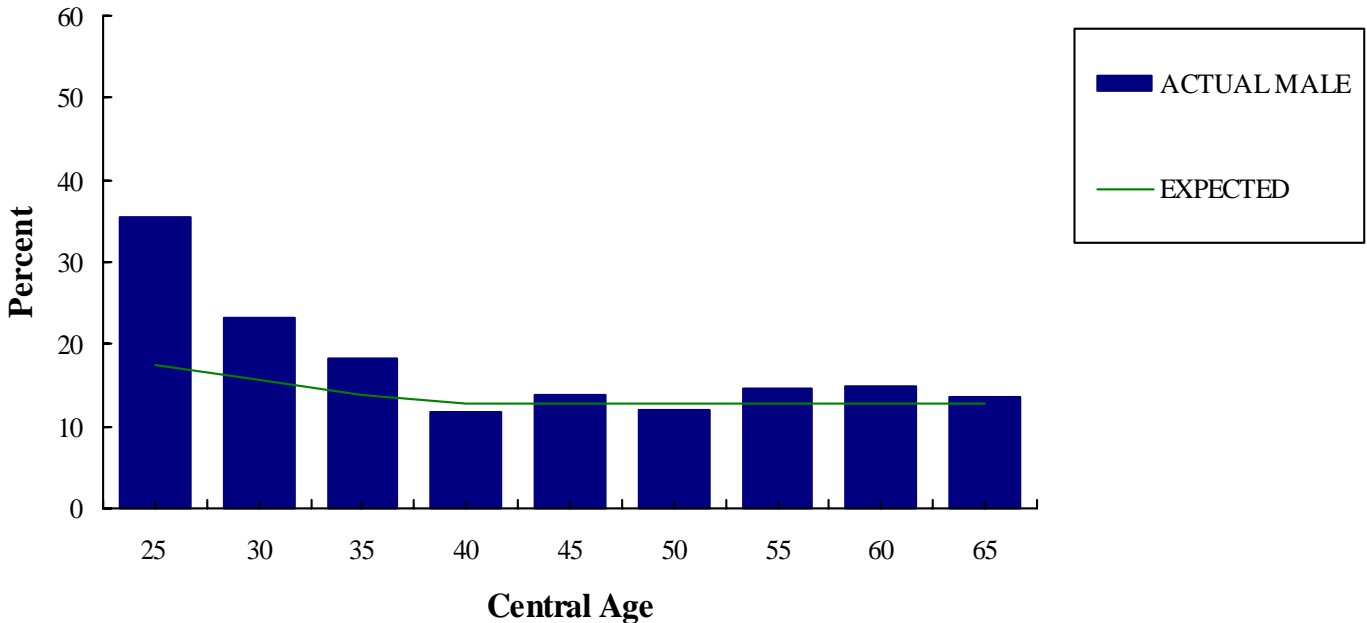
SALARY EXPERIENCE - POLICEMEN

July 1, 2003 through June 30, 2005



SALARY EXPERIENCE - FIREMEN

July 1, 2003 through June 30, 2005

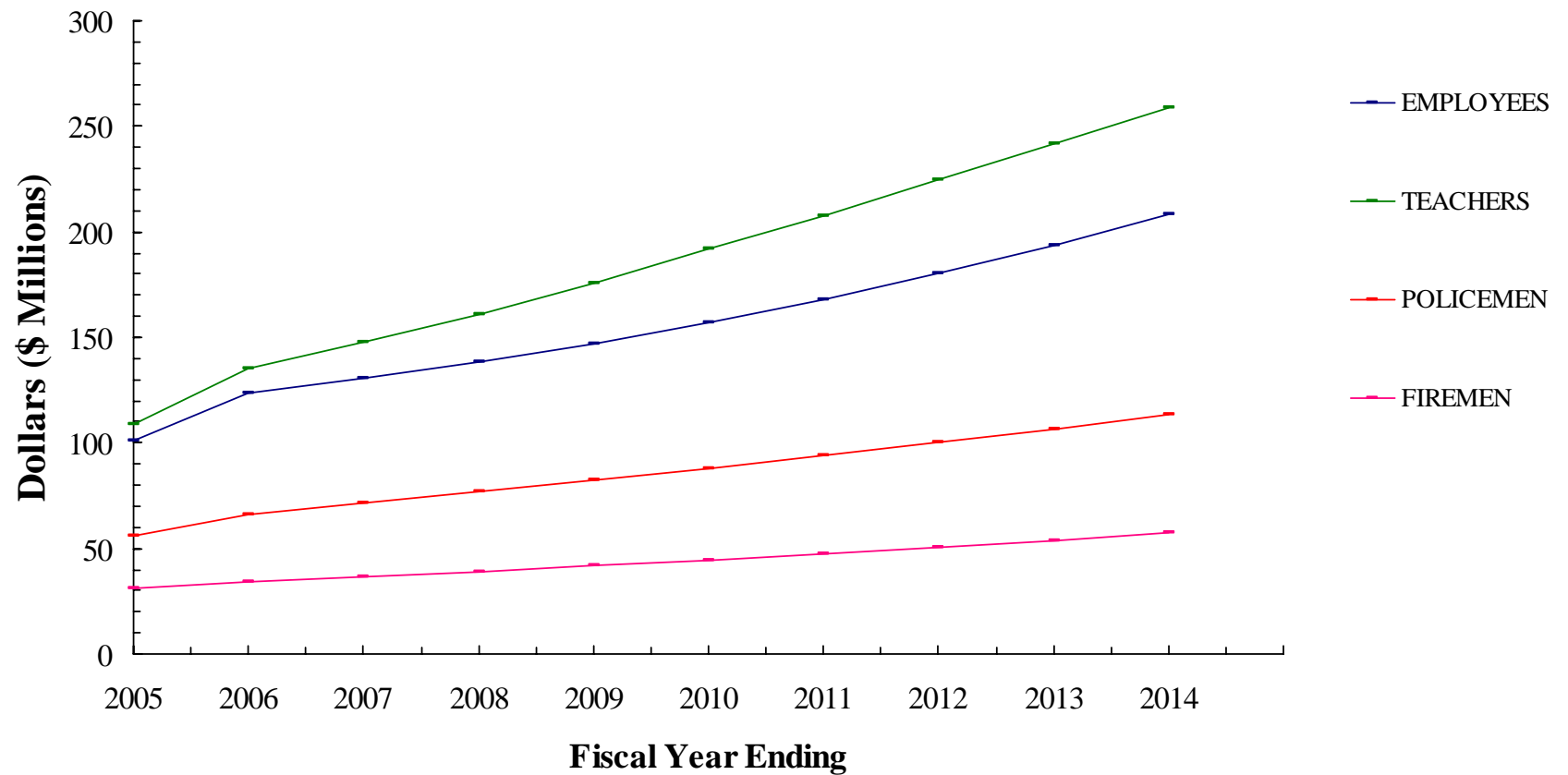


SCHEDULE F

PROJECTED BENEFIT PAYOUTS

NEW HAMPSHIRE RETIREMENT SYSTEM

Projected Benefit Payouts for the Period
July 1, 2005 through June 30, 2014



SCHEDULE G

DEVELOPMENT OF ASSET VALUES

NEW HAMPSHIRE RETIREMENT SYSTEM
Five Year Moving Market Value

Valuation Date (VD)	<u>06/30/01</u>	<u>06/30/02</u>	<u>06/30/03</u>	<u>06/30/04</u>	<u>06/30/05</u>
Market Value at VD	4,314,075,602	3,920,012,518	3,881,937,530	4,366,262,455	4,699,221,064
Contributions	167,119,978	191,207,739	202,608,360	247,440,183	274,213,697
Investment Income	122,866,514	121,002,963	106,113,082	96,824,208	102,183,013
Disbursements	230,165,486	263,699,251	287,855,235	316,280,152	349,107,570
Cash Flow	59,821,006	48,511,451	20,866,207	27,984,239	27,289,140
Units Acquired	155,743	140,377	67,198	91,488	79,891
Units Held	12,483,544	12,623,921	12,691,119	12,782,607	12,862,498
Unit Value	345.58	310.52	305.88	341.58	365.34
5 Year Average Unit Value	334.94	341.22	339.15	337.53	333.78
Preliminary Value	4,181,238,227	4,307,534,324	4,304,193,009	4,314,513,341	4,293,244,582
Book Value	4,073,812,303	3,927,435,336	3,732,589,158	4,045,431,104	4,290,270,685
Valuation Assets	4,181,238,227	4,307,534,324	4,304,193,009	4,314,513,341	4,293,244,582
Return on Valuation Assets	-----				
Investment Increase	151,288,201	198,787,609	81,905,560	79,160,301	53,625,114
Return	3.72%	4.80%	1.92%	1.85%	1.25%
Actuarial Gain (Loss)	(235,066,076)	(194,646,200)	(323,356,325)	(327,338,542)	(353,925,752)
Excess Over Assumed	-5.78%	-4.70%	-7.58%	-7.65%	-8.25%

For 6/30/01, excludes receivable contributions of \$20,666,089.

For 6/30/02, excludes receivable contributions of \$16,463,086.

For 6/30/03, excludes receivable contributions of \$ 19,743,431.

For 6/30/04, excludes receivable contributions of \$ 25,023,742.

For 6/30/05, excludes receivable contributions of \$ 29,369,374.

NEW HAMPSHIRE RETIREMENT SYSTEM
VALUATION ASSETS AVAILABLE FOR PENSION BENEFITS AS OF JUNE 30, 2005

	<u>EMPLOYEES</u>	<u>TEACHERS</u>	<u>POLICEMEN</u>	<u>FIREMEN</u>	<u>TOTAL</u>
Allocated Valuation Assets	\$ 1,308,895,215	\$ 1,675,294,050	\$ 857,944,427	\$ 451,110,890	\$ 4,293,244,582
- Special Account	89,544,458	111,459,505	39,012,389	38,279,399	278,295,751
- Medical Special Account	75,812,860	86,088,606	99,146,259	49,216,119	310,263,844
- 401(h) Actuarial Value of Assets	11,067,415	10,649,025	44,450,720	32,614,159	98,781,319
+ Receivable contribution	8,402,185	13,612,317	4,478,255	2,876,617	29,369,374
	<hr/>				
Net Assets Available for Pension Benefits	\$ 1,140,872,667	\$ 1,480,709,231	\$ 679,813,314	\$ 333,877,830	\$ 3,635,273,042

NEW HAMPSHIRE RETIREMENT SYSTEM

**SPECIAL ACCOUNT RECONCILIATION AS OF JUNE 30, 2005
(IN MILLIONS)**

Classification	Balance as of June 30, 2004	Interest	Asset Gain	Benefits Purchased*	Balance as of June 30, 2005
Employees					
State	\$ 57.7	\$ 0.7	\$ 0.0	\$ 5.1	\$ 53.3
Political Subdivision	38.5	0.5	0.0	2.8	36.2
Teachers	119.1	1.5	0.0	9.1	111.5
Policemen					
State	13.4	0.2	0.0	1.8	11.8
Political Subdivision	30.1	0.4	0.0	3.3	27.2
Firemen					
State	1.2	0.0	0.0	0.1	1.1
Political Subdivision	40.8	0.5	0.0	4.1	37.2
	\$ 300.8	\$ 3.8	\$ 0.0	\$ 26.3	\$ 278.3

* Benefits purchased for legislation enacted on or before June 30, 2005 (in millions):

Classification	Chapter 191ø July 1, 2005 COLA
Effective Date	7/1/2005
Employees	
State	\$ 5.1
Political Subdivision	2.8
Teachers	9.1
Policemen	
State	1.8
Political Subdivision	3.3
Firemen	
State	0.1
Political Subdivision	4.1
	\$ 26.3

ø Laws of 1993.